

Stock Code: 6016

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

**Minutes for the 2023 Annual
Shareholders' Meeting
(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

Concord Securities Co. Ltd

2023 Annual Shareholders' Meeting

The total outstanding eligible number of shares is 594,454,986 shares. Of those shares, 63.89% or 379,809,125 shares were represented (17,868,913 shares were voted electronically) at the meeting either in person or by a representative for the respective shareholders.

Attendance of directors:

Cheng, Ta-yun 、 Jinnder Chang 、 Chen, Qiong-Ling 、 Tsai,Sung-Po

Attendance of independent directors:

Huang, Tien-Chang 、 Huang, Hsiu-Hui 、 Chang, Yao-Ren

Chairman: Cheng, Ta-Yu , Chairman of the Board of Directors

Recorder: Chang,Chia-Hui.

- 1.Chairman of the Meeting announced that the shareholding of shareholders present has met the regulatory requirement so that the Meeting begins.
2. Opening speech of the Chairman (Omitted)

Reported matters

1. **2022 Business Report.**

Please refer to Annex 1

2. **Audit Committee's Review Report.**

Please refer to Annex 2.

3. **2022 Employees and remuneration to directors assigned case report**

Please refer to the Proceedings Manual.

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

Please refer to Annex 5.

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. The business report has been reviewed by the audit committee and the resolution of the board of directors has been passed.
2. Please refer to Annexes 1 to 4 (pages 5-34) of this manual for the above statements..

Shareholder Questions : none

Company reply: not applicable

Voting Results:

approval votes: 373,327,452(11,635,465 voted electronically)/98.29%;

disapproval votes: 211,680 (211,680 voted electronically)/0.05%;

abstention votes/no votes: 6,269,993(6,021,768 voted electronically)/1.65%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Proposal 2: Proposed by the Board of Directors

Proposal: 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 reviewed by the audit committee and passed by the resolution of the board of directors.
3. Kindly acknowledge.

Shareholder Questions : none
Company reply: not applicable

Voting Results:

approval votes: 373,653,366(11,961,379 voted electronically)/98.37%;
disapproval votes: 419,593 (419,593 voted electronically)/0.11%;
abstention votes/no votes: 5,736,166(5,487,941 voted electronically)/1.51%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Questions and Motions

None

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.

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	<u>35,824</u>	<u>2</u>	<u>1,172</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ (107,876)</u>	<u>(5)</u>	<u>\$ 1,391,274</u>	<u>32</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (148,735)	(7)	\$ 1,385,923	32
Non-controlling interests	<u>5,035</u>	<u>-</u>	<u>4,179</u>	<u>-</u>
	<u>\$ (143,700)</u>	<u>(7)</u>	<u>\$ 1,390,102</u>	<u>32</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (115,256)	(5)	\$ 1,387,420	32
Non-controlling interests	<u>7,380</u>	<u>-</u>	<u>3,854</u>	<u>-</u>
	<u>\$ (107,876)</u>	<u>(5)</u>	<u>\$ 1,391,274</u>	<u>32</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 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		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	Total		
			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	\$ 5,944,550	\$ 175,320	\$ 265,503	\$ 1,087,890	\$ (26,110)	\$ 1,614	\$ 389,567	\$ 7,838,334	\$ 59,437	\$ 7,897,771

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	(1,546,162)	1,428,842
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 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 <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 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 <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</p> <p><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></p> <p><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></p> <p><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</p> <p>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</p> <p><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></p> <p>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</p> <p>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</p> <p><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></p> <p>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</p> <p>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>