

Stock Code : 9935



慶豐富實業股份有限公司
CHING FENG HOME FASHIONS CO.,LTD.

議事手冊
2025 ANNUAL SHAREHOLDERS' MEETING

HANDBOOK

May 21, 2025

CONTENTS

	Page
I. Agenda.....	1
II. Report Items.....	2
III. Proposed Resolutions.....	6
IV. Discussion Items.....	6
V. Special Motion.....	7

ATTACHMENT

1. Business Report.....	8
2. Audit Committee’s Review Report.....	12
3. Comparison Table of Revisions to the “Corporate Governance Best Practice Principles”	13
4. Comparison Table of Revisions to the “Ethical Corporate Management Best Practice Principles”	28
5. Comparison Table of Revisions to the “Procedures for Ethical Management and Guidelines for Conduct”	37
6. Comparison Table of Revisions to the “Codes of Ethical Conduct”.....	45
7. Independent Auditors’ Report.....	49
8. Distribution of Earnings, 2024.....	67
9. Comparison Table of Revisions to the “Articles of Incorporation”.....	68

APPENDIX

I. Articles of Incorporation (Before Revision).....	70
II. Corporate Governance Best Practice Principles (Before Revision).....	75
III. Ethical Corporate Management Best Practice Principles (Before Revision).....	93
IV. Procedures for Ethical Management and Guidelines for Conduct (Before Revision)	101
V. Codes of Ethical Conduct (Before Revision).....	110
VI. Rules of Procedure for Shareholder Meetings.....	113
VII. Directors’ Shareholdings.....	123

CHING FENG HOME FASHIONS CO., LTD. 2025 ANNUAL SHAREHOLDERS' MEETING

AGENDA

1. Time and Date: 9:00 a.m., May 21, 2025
2. Place: 373, Sec. 4, Yenhai Rd., Funan Village, Fuhsing Township, Changhua County, Taiwan
3. Type of Meeting:
The meeting will be held physically at 373, Sec. 4, Yenhai Rd., Funan Village, Fuhsing Township, Changhua County, Taiwan
4. The Chairman calls the meeting to order
5. Welcome Remarks
6. Report Items
 - 1) 2024 Business Report
 - 2) 2024 Audit Committee's Review Report
 - 3) 2024 Employees' and Directors' Compensation Report
 - 4) 2024 Directors' Remuneration Report
 - 5) 2024 Cash Dividend Earnings Distribution Report
 - 6) The reasons and related matters for offering the 3rd domestic unsecured convertible corporate bonds Report
 - 7) Amendment to the "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Codes of Ethical Conduct"
7. Proposed Resolutions
To accept the 2024 Business Report and Financial Statements
8. Discussion Items
Amendment to the "Articles of Incorporation"
9. Special Motion
10. Adjournment

REPORT ITEMS

Report Item 1 - 2024 Business Report

Please refer to Attachment 1 for 2024 Business Report.(Page 8-11)

Report Item 2- Audit Committee's Review Report on 2024 financial statements

The 2024 financial statements were approved by the Board of Directors on February 27, 2025, and sent to the Audit Committee for verification and approval. Please refer to Attachment 2(page 12).

Report Item 3 - 2024 Employees' and Directors' Compensation Report

1. In accordance with Article 20 of the company's Articles of Incorporation, the company distributes no less than 2% of the current year's profits as compensation to employees and no more than 3% as compensation to directors, but if the company has accumulated losses, it should first covered.
2. The profit sharing with employees and directors' compensation for the year 2024 will be distributed in cash as follows:
 - 1) NT\$9,604,797, 2%, is planned to be distributed as employees' compensation.
 - 2) NT\$4,802,399, 1%, is planned to be distributed as directors' compensation.

It is in line with the company's Articles of Incorporation.

- 3) Authorize the chairman of the Board of Directors to handle the date and details of distribution.

Report Item 4 - 2024 Directors' Remuneration Report

1. The remuneration paid to directors included the the remuneration, allowances and rewards paid to directors. The remuneration for directors is determined by the shareholders' meeting in accordance with the provisions of the company's Articles of Incorporation. Regardless of operating profits or losses, the directors' remuneration shall be paid at the usual level of the same industry, the allowances paid to directors were determined based on the attendance at the board meetings. In accordance with Article 20 of the company's Articles of Incorporation, the company distributes no more than 3% as compensation to directors.
2. The Company has established Salary and Remuneration Committee, which is composed of all independent directors, to stipulate and regularly review the policies, systems, standards, and structure of performance assessment, salaries, and remunerations of directors, and to regularly review and stipulate the salaries and remunerations of directors based on the standards of other businesses in the same industry.
3. The company planned 1% of the company distributes, NT\$4,802,399, to be distributed as director remuneration. The profit sharing with the director remuneration for the year 2024 were approved by the Board of Directors on February 27, 2025. The director remuneration will be distributed in cash. It is in line with the company's Articles of Incorporation.
4. Authorize the chairman of the Board of Directors to handle the date and details of distribution.

5. The details of director remuneration is as follows:

Unit: NT\$1,000

No.	Title	Name	Compensation to Directors								Total Compensation(A+B+C+D) & Ratio of Compensation to Net Profit		Compensation as a Concurrent Employee								Total Compensation(A+B+C+D+E+F+G) & Ratio of Compensation to Net Profit		Compensation from Investors Other Than Subsidiaries of the Company or the Parent Company		
			Base Compensation (A)		Pension/ Severance (B)		Director's Compensation (C)		Professional Fees (D)				Salary, Bonus, Allowance (E)		Pension/ Severance (F)		Employee Compensation (G)								
			Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only	Consolidated	Parent only		Consolidated			Parent only	Consolidated
																			Cash	Shares	Cash	Shares			
1	Chairman	Hsu, Ming-Hsuan	6,217	6,217	--	--	686	686	20	20	1.67	1.67	--	--	--	--	--	--	--	--	1.67	1.67	--		
2	Director	Hsu, Chun-Jan	430	430	--	--	686	686	12	12	0.27	0.27	4,768	5,143	108	108	1,000	--	1,000	--	1.69	1.78	--		
3	Director	Wu, Chien-Tung (Note)	150	150	--	--	206	206	8	8	0.09	0.09	--	--	--	--	--	--	--	--	0.09	0.09	--		
4	Director	Jichen Investment Co., Ltd. Representative: Yang, Jen-Kai (Note)	280	280	--	--	480	480	8	8	0.18	0.18	--	--	--	--	--	--	--	--	0.18	0.18	--		
5	Director	Lee Bang Shing Investment Co., Ltd. Representative: Chen, Chun-Chung	430	430	--	--	686	686	20	20	0.27	0.27	--	--	--	--	--	--	--	--	0.27	0.27	--		
6	Independent Director	Chuang, Yao-Kai (Note)	150	150	--	--	206	206	28	28	0.09	0.09	--	--	--	--	--	--	--	--	0.09	0.09	--		
7	Independent Director	Lai, Chun-Yu (Note)	150	150	--	--	206	206	28	28	0.09	0.09	--	--	--	--	--	--	--	--	0.09	0.09	--		
8	Independent Director	Lee, Chun-Te (Note)	150	150	--	--	206	206	22	22	0.09	0.09	--	--	--	--	--	--	--	--	0.09	0.09	--		
9	Independent Director	Yang, Wendy (Note)	280	280	--	--	480	480	36	36	0.19	0.19	--	--	--	--	--	--	--	--	0.19	0.19	--		
10	Independent Director	Kuo, Ping-Chen (Note)	280	280	--	--	480	480	38	38	0.19	0.19	--	--	--	--	--	--	--	--	0.19	0.19	--		
11	Independent Director	Kuan, Hsu-Chiang (Note)	280	280	--	--	480	480	38	38	0.19	0.19	--	--	--	--	--	--	--	--	0.19	0.19	--		

Note: The company conducted a full re-election of the Board of Directors on May 28, 2024. As the terms of Director Wu, Chien-Tung and Independent Directors Chuang, Yao-Kai, Lai, Chun-Yu, and Lee, Chun-Te expired, Director Jichen Investment Co., Ltd., representative: Yang, Jen-Kai, and Independent Directors Yang, Wendy, Kuo, Ping-Chen, and Kuan, Hsu-Chiang assumed office after the re-election.

Report Item 5 - The distribution of cash dividends for the year of 2024

1. According to Article 20-1 of the company's Articles of Incorporation:
 - 1) The company plans to pay cash dividends of NT\$1.8 for a total amount of NT\$320,110,067. According to the shareholders and their holdings recorded in the shareholder register on the distribution date; there are a total of 177,838,926 shares. Cash dividends will be paid up to NT\$1.00, and those below NT\$1.00 will be rounded down. The total amount less than NT\$1.00 will be listed as other income of the company.
 - 2) Regarding the payment of cash dividends, the chairman of the Board of Directors is authorized to set the ex-dividend date, payment date, etc.
2. If there is a change in the number of shares outstanding due to conversion of convertible corporate bonds, transfer or cancellation of treasury stocks, resulting in a change in the payment of dividend, the chairman is also authorized to make any necessary adjustments to this cash dividend distribution proposal.

Report Item 6 - The reasons and related matters for offering the 3rd domestic unsecured convertible corporate bonds Report.

1. To repay bank loans, the Company issued its 3rd domestic unsecured convertible corporate bonds. The issuance was declared effective by the Financial Supervisory Commission on September 16, 2024 (FSC Document No. 11303565311). The total amount issued was NTD 300 million. The bonds began over-the-counter trading at securities firms' business offices starting from October 14, 2024. For the related issuance details up to the date of the annual report publication, please refer to the table below:

Type of Corporate Bonds	3rd domestic unsecured convertible corporate bonds (Bond code: 99353)
Issuance Date	October 14, 2024
Face value per bond	NTD 100,000
Issuance Price	Issued at 100.5% of the face value
Total Amount Issued	NTD 300,000,000
Interest Rate	Annual Interest Rate: 0%
Maturity Period	3-year term, Maturity Date: October 14, 2027
Trustee	KGI Bank Co., Ltd.
Underwriting Institution	KGI Securities Co. Ltd
Repayment Method	Repayable in full in cash at maturity, except for conversions or redemptions in accordance with the issuance and conversion regulations.
Outstanding Principal	NTD 300,000,000
Redemption or Early Repayment Terms	In accordance with Articles 18 and 19 of the Issuance and Conversion Regulations.
Number of Common Shares Converted as of the Annual Report Publication Date	0 share
Implementation Status of Fund Utilization Plan	The company has completed the implementation of the original fund utilization plan in the fourth quarter of 2024.

Report Item 7 - Amendment to the " Corporate Governance Best Practice Principles", " Ethical Corporate Management Best Practice Principles", " Procedures for Ethical Management and Guidelines for Conduct", " Codes of Ethical Conduct".

1. In accordance with laws and actual requirements, the " Corporate Governance Best Practice Principles", " Ethical Corporate Management Best Practice Principles", " Procedures for Ethical Management and Guidelines for Conduct", " Codes of Ethical Conduct" were revised.
2. Please refer to Attachment 3~6 (page 13-48) for the comparison table of revisions to the " Corporate Governance Best Practice Principles", " Ethical Corporate Management Best Practice Principles", " Procedures for Ethical Management and Guidelines for Conduct", " Codes of Ethical Conduct".

PROPOSED RESOLUTIONS

To accept the 2024 Business Report and Financial Statements. (Proposed by the Board of Directors)

Explanatory Notes:

1. The business report for the year of 2024 has been approved by the Board of Directors on February 27, 2025, and sent to the audit committee for review and approval.
2. The financial statements for the year of 2024 have been audited by CPAs Chuang, Chun-Wei, Yu, Chi-Lung of KPMG Taiwan, and submitted to the Audit Committee for review and approval.
3. Please refer to Attachment 1 and 7~8 (page 8-11 and page 49-67) for the business report, and independent auditors' report, financial statements and Earnings Distribution.
4. Please ratify.

RESOLVED,

DISCUSSION ITEMS

Discussion of amendments to the “Articles of Incorporation”. (Proposed by the Board of Directors)

Explanatory Notes:

1. The company cooperates with laws and regulations to amend its “Articles of Incorporation” in accordance with the Announcement No. 1130385332 of the Taiwan Stock Exchange Co., Ltd. on November 8, 2024.
2. Please refer to Attachment 9 (page 68-69) for the comparison table of revisions to the “Articles of Incorporation”.

RESOLVED,

SPECIAL MOTION

BUSINESS REPORT

To Our Shareholders:

We would like to thank all of you for attending the meeting, and for your constant support and trust in the company and its management team.

In 2024, the global economy continued the trend from 2023. While the impact of inflation persisted, it gradually eased compared to the previous year. Additionally, the U.S. Federal Reserve began cutting interest rates in September. However, overall, consumer purchasing power remained affected. Since the second half of 2023, our company has been enhancing consumer perception of product value through e-commerce and express custom made business model. In 2024, we further expanded e-commerce sales channels, driving overall online sales growth and improving the consolidated gross profit margin.

At the same time, we continue to strengthen our diversified production site strategy to mitigate the risks of trade frictions caused by tariff barriers and to better meet market demands in different regions. Additionally, we closely monitor raw material costs to enhance production efficiency and reduce manufacturing expenses, thereby strengthening Ching Feng's competitive advantage in the market.

Consolidated revenue in 2024 was NT \$5,399 million, representing an 18.73% increase compared to the previous year. Benefiting from an optimized sales mix and improved production efficiency, the gross profit margin improved quarter by quarter, reaching 24.34% for the full year. This represents a 21.64% increase compared to the gross profit margin in 2023. The operating profit margin for 2024 was 10.50%, with operating profit totaling NT\$567 million.

Operating Performance

Unit: NT\$1,000

	2024		2023		Amount (Increase/Decrease)	
	Amount	%	Amount	%	Amount	%
Operating Revenue	5,399,082	100.00	4,547,224	100.00	851,858	18.73
Gross Profit	1,313,970	24.34	909,997	20.01	403,973	44.39
Operating Expenses	747,042	13.84	666,263	14.65	80,779	12.12
Operating Profit (Loss)	566,928	10.50	243,734	5.36	323,194	132.60
Net Profit before Tax	546,242	10.12	154,309	3.39	391,933	253.99
Net Profit after Tax	415,463	7.70	104,004	2.29	311,459	299.47
EPS(After Tax)	2.39		0.6			

Income, Expenses and Profitability Analysis

Analyzed Item		Year	
		2024	2023
Financial Structure (%)	Liabilities to Assets Ratio (%)	62.76	66.12
	Ratio of long-term funds to property, plant and equipment (%)	243.58	222.45
Solvency (%)	Current Ratio (%)	209.90	232.11
	Quick Ratio (%)	142.16	162.76
Profitability(%)	Return on assets (%)	6.90	2.59
	Return on shareholders' equity (%)	16.37	4.59
	Net Profit (%)	7.70	2.29

Budget Execution

Not applicable because the company has not prepared the financial budget for the public.

Research and Development

- (1) To develop various series of blinds and shades that comply with the latest regulations.
- (2) To develop various series of motorized and smart blinds and shades, and control apps.
- (3) To develop various series of blinds and shades that mitigate climate change and comply with ESG standards.
- (4) To develop various series of blinds and shades that require no drilling and are easy to install.
- (5) To develop various series of blinds and shades tailored for specialized markets.

BUSINESS PLAN FOR THE YEAR OF 2025

Business policies

Optimization of production efficiency: Continuously improve the production efficiency of each plant. Through technological innovation, process improvement and talent training, higher production capacity and lower costs will be achieved.

Strengthening customer relationships: More flexible in meeting customer needs. Through in-depth customer understanding, product portfolio optimization, more valuable solutions and long-term partnerships.

Cooperation with suppliers: Establish closer cooperation with suppliers. This will contribute to material development, cost control and quality management. By combining advanced textile technology, functional fabrics such as fireproof, heat insulation, waterproof, dustproof, and anti-bacterial are used in window coverings, which can greatly improve the performance of the blinds and shades and meet the diversified practical needs of consumers.

Innovation and sustainability: We will continue to promote product innovation to meet market demand. At the same time, we will be committed to environmental protection and sustainable development.

Deepen the advantages of full value chain services, improve and integrate multiple production bases, product innovation and R & D, Raw materials and logistics supply chain lean management and sustainable circular economy, hoping to reflect the company's rapid product development, flexible production and manufacturing, real-time grasp of market demand, etc., enhance good market competitiveness and create growth momentum.

Sales forecast and optimal production-sales policies

The COVID-19 pandemic seemed to be waning. The average spending on DIY home decorating products is going up. With the multiple supply sourcing, we can not only shorten the lead time, but also reduce risks in the manufacturing footprint. We will use capacity planning to keep production optimized, be the first to develop and market a product to strengthen the company's position in the marketplace, and achieve success in different regions to increase revenue and sales.

The impact of external competition, regulations, and the overall business environment

1. The impact of overall business environment and external competitive environment

The global economy is expected to grow steadily in 2025, despite challenges such as geopolitical risks and uncertainties in trade policies. According to the International Monetary Fund (IMF), the global economic growth rate is projected to reach 3.3%, remaining on par with 2024. The U.S. economy is expected to grow at a solid pace, with a growth rate of 2.7%, driven primarily by sustained domestic demand and the productivity boost from artificial intelligence applications. However, uncertainties surrounding new government policies and inflationary pressures remain key concerns. Additionally, the Federal Reserve implemented multiple rate cuts in 2024, ultimately lowering interest rates to a range of 4.25%-4.50%. While the trend of rate cuts is expected to continue in 2025, the frequency and scale are likely to decrease, keeping operating capital costs at a relatively high level.

As the post-pandemic era continues to reshape consumer lifestyles and business models, the demand for customized and high-end blinds and shades has increased, intensifying market competition and accelerating the digital transformation of both physical stores and e-commerce platforms. Our company is committed to expanding customer collaboration from offline chain channels to online e-commerce order fulfillment, establishing Ching Feng's full-value-chain service model.

Ching Feng's new decade-long business plan is centered around the 3S business strategy: Safety, Smart, and Sustainability. We are actively investing in the development of environmentally friendly and recycled material products, emphasizing value, quality, logistics, and the circular economy. By enhancing innovation in design and material selection, we aim to offer a wider variety of products to meet consumer needs.

Furthermore, as smart home technology continues to advance, the demand for Smart blinds and shades products has been growing rapidly. Our company is dedicated to developing next-generation safety, motorized, and smart blinds and shades products. By enhancing functionality, improving quality, diversifying product forms, reducing costs, and redefining product competitiveness in the market, we strive to maintain our industry leadership.

2. The impact of regulatory environment

Beyond focusing on the benefits of blinds and shades development, our company places great emphasis on product safety. Since June 2024, the U.S. has mandated that all blinds and shades products adopt cordless designs to prevent child suffocation hazards. This regulatory change has driven increased demand for new blinds and shades products, ensuring that users of all ages are safeguarded from safety concerns while complying with the highest international safety standards for blinds and shades.

As environmental awareness continues to rise, consumers are increasingly demanding sustainable materials and eco-friendly production methods. In alignment with our 3S business strategy, we are actively investing in the development of recycled material products and providing a comprehensive range of cordless blinds and shades options. Our commitment to sustainability and environmental responsibility remains a key focus, as we dedicate efforts to the research and application of sustainable materials, minimizing the environmental impact of our production processes.

Hsu, Ming-Hsuan
Chairman

Hsu, Chun-Jan
President

Yen, Huei-Ru
Accounting Supervisor

CHING FENG HOME FASHIONS CO., LTD.

AUDIT COMMITTEE'S REVIEW REPORT

Date: February 27, 2025

The Board of Directors has prepared the parent company only financial statements and consolidated financial statements for the year of 2024. The CPA firm of KPMG Taiwan was retained to audit the financial statements of the company and has issued an audit report accordingly. The Business Report, Financial Statements, and the proposal of distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of Ching Feng Home Fashions Co., Ltd. In according with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the Audit Committee's Review Report is hereby submitted.

Yang, Wendy
Chairman of the Audit Committee

Comparison Table of Revisions to the “Corporate Governance Best Practice Principles”

Existing Provisions	Amended Articles	Explanation
<p>Article 1</p> <p>The Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) hereby jointly adopt these Principles, to be followed by the Company, to assist it in establishing sound corporate governance systems and promote sound development of the securities market.</p>	<p>Article 1</p> <p>The Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) hereby jointly adopt these Principles, to be followed by the Company, to assist it in establishing sound corporate governance systems and promote sound development of the securities market.</p> <p><u>The Company is advised to formulate their own corporate governance principles and establish an effective corporate governance framework with reference to these Principles and disclose them through the Market Observation Post System (MOPS).</u></p>	Amendment to laws
<p>Article 2</p> <p>When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, the Company shall follow the following principles:</p> <ol style="list-style-type: none"> 1. Establishing effective corporate governance framework. 2. Protect the rights and interests of shareholders. 3. Strengthen the powers of the board of directors. 4. Fulfill the function of independent directors. 5. Respect the rights and interests of stakeholders. 6. Enhance information transparency. 	<p>Article 2</p> <p>When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, <u>contracts signed with the TWSE or TPEX, and other relevant regulations</u>, the Company shall follow the following principles:</p> <ol style="list-style-type: none"> 1. Protect the rights and interests of shareholders. 2. Strengthen the powers of the board of directors. 3. Fulfill the function of independent directors. 4. Respect the rights and interests of stakeholders. 5. Enhance information transparency. 	Amendment to laws

Existing Provisions	Amended Articles	Explanation
<p>Article 3-1 (Personnel responsible for corporate governance affairs)</p> <p>The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEX a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.</p> <p>It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders meetings according to laws 2. Producing minutes of board meetings and shareholders meetings 3. Assisting in onboarding and continuous development of directors and independent directors 4. Furnishing information required for business execution by directors and independent directors 5. Assisting directors and independent directors with legal compliance 6. Other matters set out in the articles of incorporation or contracts 	<p>Article 3-1 (Personnel responsible for corporate governance affairs)</p> <p>The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEX a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.</p> <p>It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:</p> <ol style="list-style-type: none"> 1. Handling matters relating to board meetings and shareholders meetings according to laws 2. Producing minutes of board meetings and shareholders meetings 3. Assisting in onboarding and continuous development of directors and independent directors 4. Furnishing information required for business execution by directors and independent directors 5. Assisting directors and independent directors with legal compliance 6. Reporting to the board of directors the results of examination as to whether the qualifications of independent directors at the time of their nomination and election and during their term of office conform to applicable laws and regulations 7. Handling matters related to director changes 8. Other matters set out in the articles of incorporation or contracts 	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 6</p> <p>The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder <u>nominations of directors, supervisors and submissions of shareholder proposals</u>. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, advisably with videoconferencing available and sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.</p>	<p>Article 6</p> <p>The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder <u>nominations of directors, independent directors and submissions of shareholder proposals</u>. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, advisably with videoconferencing available and sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.</p>	<p>Amendment to laws</p>
<p>Article 8</p> <p>The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of <u>directors and supervisors</u>, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected <u>directors and supervisors</u>.</p> <p>The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.</p>	<p>Article 8</p> <p>The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of <u>directors and independent directors</u>, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected <u>directors and independent directors</u>.</p> <p>The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 12</p> <p>In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.</p> <p>In the event of a Management Buyout (MBO), the Company shall comply with all applicable laws and regulations. Additionally, an independent review committee should be established to objectively evaluate the reasonableness of the purchase price and acquisition plan. The Company shall also ensure compliance with information disclosure requirements.</p> <p>The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.</p>	<p>Article 12</p> <p>In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.</p> <p>When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the company's financial structure thereafter.</p> <p>When the management or a major shareholder of the Company is involved in a merger or acquisition, a legal opinion by independent lawyer should be issued to review if members of the audit committee to review the merger and acquisition in the preceding paragraph have met the regulations of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, to ensure they are not a related party to a counterparty of the merger and acquisition transaction or do not have such interest that would influence their independence, whether the design and implementation of the relevant procedure meet the applicable laws, and if a full disclosure has been made in accordance with the applicable laws.</p> <p>Qualifications of the lawyer in the preceding paragraph shall meet the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the lawyer should not be a related party to a counterparty of the merger and acquisition transaction or should not have such interest that would influence their independence.</p> <p>The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 13</p> <p>In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.</p> <p>The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors, independent directors or managers in performing their duties.</p>	<p>Article 13</p> <p>In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.</p> <p>The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors, independent directors or managers in performing their duties.</p> <p><u>It is advisable that the Company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.</u></p>	<p>Amendment to laws</p>
	<p>Article 13-1</p> <p>(The board of directors is responsible for establishing a mechanism for interaction with shareholders)</p> <p><u>The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.</u></p>	<p>New Provisions</p>
	<p>Article 13-2</p> <p>(Efficient communication with shareholders to gain their support)</p> <p><u>In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.</u></p>	<p>New Provisions</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 15</p> <p>A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.</p>	<p>Article 15</p> <p><u>Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises.</u></p> <p>A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.</p>	<p>Amendment to laws</p>
<p>Article 17</p> <p>When the Company and its affiliated enterprises enter into business dealings, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and improper channeling of interests shall be prohibited.</p> <p>Transactions or contractual agreements between the Company and related parties or shareholders shall also be conducted in accordance with the aforementioned principles, with strict prohibition of any improper channeling of interests.</p>	<p>Article 17</p> <p>When the Company and its <u>related parties and shareholders enter into financial or business dealings or transactions</u>, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions and <u>improper channeling of interests</u> shall be prohibited.</p> <p><u>The content of the written agreement mentioned in the preceding paragraph shall include regulatory procedures governing transactions such as purchase and sale of goods, acquisition and disposal of assets, loans of funds, and provision of endorsements and guarantee etc. Relevant material transactions shall be approved by a resolution of the board of directors and approved or reported to the shareholders' meeting.</u></p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 18</p> <p>A corporate shareholder having controlling power over the Company shall comply with the following provisions:</p> <ol style="list-style-type: none"> 1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable. 2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or an independent director. 3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or independent directors and shall not act beyond the authority granted by the shareholders meeting or board meeting. 4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities. 5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels. 	<p>Article 18</p> <p>A corporate shareholder having controlling power over the Company shall comply with the following provisions:</p> <ol style="list-style-type: none"> 1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable. 2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or an independent director. 3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or independent directors and shall not act beyond the authority granted by the shareholders meeting or board meeting. 4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities. 5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels. 6. The representative that is designated when a corporate shareholder has been elected as a director or an independent director shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate. 	<p>Amendment to laws</p>
<p>Article 19</p> <p>The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.</p>	<p>Article 19</p> <p>The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.</p>	<p>The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.</p> <p><u>The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.</u></p>	
<p>Article 21</p> <p>The Company shall establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.</p> <p>A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.</p> <p>When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).</p> <p>The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.</p>	<p>Article 21</p> <p>The Company <u>shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders,</u> establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.</p> <p><u>Unless the competent authority otherwise grants an approval,</u> a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.</p> <p>When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).</p> <p>The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 25</p> <p><u>Unless the competent authority otherwise grants an approval</u>, the Company shall submit the following matters to the board of directors. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:</p> <ol style="list-style-type: none"> 1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act. 2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others. 3. A matter bearing on the personal interest of a director or an independent director. 4. A material asset or derivatives transaction. 5. A material monetary loan, endorsement, or provision of guarantee. 6. The offering, issuance, or private placement of any equity-type securities. 7. The hiring, discharge, or compensation of an attesting CPA. 8. The appointment or discharge of a financial, accounting, or internal auditing officer. 9. Any other material matter so required by the competent authority. 	<p>Article 25</p> <p>The Company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:</p> <ol style="list-style-type: none"> 1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act. 2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others. 3. A matter bearing on the personal interest of a director or an independent director. 4. A material asset or derivatives transaction. 5. A material monetary loan, endorsement, or provision of guarantee. 6. The offering, issuance, or private placement of any equity-type securities. 7. The hiring, discharge, or compensation of an attesting CPA. 8. The appointment or discharge of a financial, accounting, or internal auditing officer. 9. Any other material matter so required by the competent authority. 	<p>Amendment to laws</p>
<p>Article 26</p> <p>The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.</p>	<p>Article 26</p> <p>The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.</p> <p><u>If the Company, as stipulated in its Articles of Incorporation, resolved by the shareholders' meeting, or mandated by the competent authority, is required to allocate a special surplus reserve, such allocation shall be made after the statutory surplus reserve and prior to the distribution of directors' remuneration and employee bonuses.</u></p>	<p>The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.</p>	
<p>Article 27</p> <p><u>For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors the Company, in consideration of the company's scale and the number of its independent directors, may set up various functional committees.</u></p> <p><u>Functional committees shall be accountable to the Board of Directors and shall submit their proposals to the Board for resolution.</u></p> <p>Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.</p>	<p>Article 27</p> <p><u>For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.</u></p> <p><u>Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of independent director's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.</u></p> <p>Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 29</p> <p>The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions.</p> <p>The Company shall evaluate the independence of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.</p>	<p>Article 29</p> <p><u>To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.</u></p> <p><u>To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.</u></p> <p><u>Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.</u></p> <p>The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. <u>It is advisable that the company establish channels and mechanisms of communication between the independent directors, the audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.</u></p> <p>The Company shall, based on <u>Audit Quality Indicators (AQIs) as reference</u>, evaluate the independence and <u>suitability</u> of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 30</p> <p>It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the independent directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.</p> <p>When, as a result of performing their lawful duties, directors, independent directors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.</p>	<p>Article 30</p> <p>It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the independent directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.</p> <p>When, as a result of performing their lawful duties, directors, independent directors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.</p> <p><u>The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.</u></p>	<p>Amendment to laws</p>
<p>Article 32</p> <p>Directors shall exercise a high degree of self-discipline. If a matter proposed by the Board of Directors involves the personal interests of a director and may jeopardize the interests of the Company, the director shall voluntarily recuse themselves from discussion and voting and shall not act as a proxy to exercise voting rights on behalf of other directors. Furthermore, directors shall exercise self-discipline and refrain from engaging in improper mutual support.</p> <p>Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.</p>	<p>Article 32</p> <p>Directors shall exercise a high degree of self-discipline. <u>If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.</u></p> <p>Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 38</p> <p>If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.</p> <p>Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to independent directors in accordance with the foregoing paragraph.</p>	<p>Article 38</p> <p>If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.</p> <p>Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to <u>the audit committee or an independent director member of the audit committee</u> in accordance with the foregoing paragraph.</p>	Amendment to laws
<p>Article 42</p> <p>(Specification in the articles of incorporation the adoption of the candidate nomination system for elections of independent directors)</p> <p>The Company shall specify in its articles of incorporation in accordance with the provisions of the Company Act that it adopts the candidate nomination system for elections of independent directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.</p>	<p>Article 42</p> <p>(Specification in the articles of incorporation the adoption of the candidate nomination system for elections of independent directors)</p> <p>The Company shall specify in its articles of incorporation <u>in accordance with the laws and regulations of the competent authorities</u> that it adopts the candidate nomination system for elections of independent directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.</p>	Amendment to laws
<p>Article 43</p> <p>Unless otherwise approved by the competent authority, at least one independent director seat shall have no spousal relationship or familial relationship within the second degree of kinship with another independent director or a director.</p> <p>An independent director will preferably be domiciled within the territory of the ROC to allow timely performance of supervisory functions.</p>	<p>Article 43</p> <p>Unless otherwise approved by the competent authority, at least one independent director seat shall have no spousal relationship or familial relationship within the second degree of kinship with another independent director or a director.</p> <p><u>The Company is advised to refer to the provisions on independence provided in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and appoint a suitable independent director to enhance the risk management and financial and operational control of the company.</u></p> <p>An independent director will preferably be domiciled within the territory of the ROC to allow timely performance of supervisory functions.</p>	Amendment to laws

Existing Provisions	Amended Articles	Explanation
	<p>Article 49</p> <p><u>The Company shall take out independent directors liability insurance with respect to liabilities resulting from the exercise of duties during their terms, so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoing or negligence of an independent director.</u></p> <p><u>The Company is advised to report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for independent directors, at the next board meeting.</u></p>	New Provisions
<p>Article 51</p> <p>(The Company shall maintain communication with stakeholders and safeguard their rights and interests)</p> <p>The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests. In the event of a management buyout, the Company shall ensure the continued soundness of its financial structure.</p> <p>When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.</p>	<p>Article 51</p> <p>(The Company shall maintain communication with stakeholders and safeguard their rights and interests)</p> <p>The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.</p> <p>When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.</p>	Amendment to laws
<p>Article 53</p> <p>The Company shall establish channels of communication with employees and encourage employees to reflect opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.</p>	<p>Article 53</p> <p>The Company shall establish channels of communication with employees and <u>encourage employees to communicate directly with the management, directors, or independent directors</u> so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.</p>	Amendment to laws

Existing Provisions	Amended Articles	Explanation
<p>Article 58</p> <p>The Company shall hold an investor conference in compliance with the regulations of the TWSE, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the designated internet-based information reporting system and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE rules.</p>	<p>Article 58</p> <p>The Company shall hold an investor conference in compliance with the regulations of the TWSE, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the <u>Market Observation Post System</u> and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.</p>	<p>Amendment to laws</p>
<p>Article 61</p> <p>The Corporate Governance Best Practice Principles shall be implemented upon approval by the Board of Directors and shall be submitted to each independent director and reported to the shareholders' meeting. The same procedure shall apply to any amendments.</p> <p>These Principles were approved by the Board of Directors on December 10, 2014.</p> <p>These Principles were amended on June 28, 2019.</p> <p>These Principles were amended on June 27, 2022.</p>	<p>Article 61</p> <p>The Corporate Governance Best Practice Principles shall be implemented upon approval by the Board of Directors and shall be submitted to each independent director and reported to the shareholders' meeting. The same procedure shall apply to any amendments.</p> <p>These Principles were approved by the Board of Directors on December 10, 2014.</p> <p>These Principles were amended on June 28, 2019.</p> <p>These Principles were amended on June 27, 2022.</p> <p><u>These Principles were amended on May 9, 2024.</u></p>	<p>Inclusion of revision date</p>

Comparison Table of Revisions to the “Ethical Corporate Management Best Practice Principles”

Existing Provisions	Amended Articles	Explanation
<p>Article 5</p> <p>The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Article 5</p> <p>The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith <u>and obtain approval from the board of directors</u>, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	Amendment to laws
<p>Article 7</p> <p>The prevention programs established by the Company shall at least include preventive measures against the following:</p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of 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 directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. 	<p>Article 7</p> <p><u>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.</u></p> <p><u>The established prevention programs shall at least include preventive measures against the following:</u></p> <ol style="list-style-type: none"> 1. Offering and acceptance of bribes. 2. Illegal political donations. 3. Improper charitable donations or sponsorship. 4. Offering or acceptance of 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 directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services. 	Amendment to laws

Existing Provisions	Amended Articles	Explanation
<p>Article 8</p> <p>The Company and its subsidiaries 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.</p>	<p>Article 8</p> <p><u>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.</u></p> <p>The Company and its subsidiaries 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.</p> <p><u>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.</u></p>	<p>Amendment to laws</p>
<p>Article 10</p> <p>Prohibition of bribery and accepting bribes</p> <p>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.</p>	<p>Article 10</p> <p>Prohibition of bribery and accepting bribes</p> <p>Directors, <u>independent directors</u>, 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.</p>	<p>Amendment to laws</p>
<p>Article 11</p> <p>Prohibition of providing illegal political donations</p> <p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company's 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.</p>	<p>Article 11</p> <p>Prohibition of providing illegal political donations</p> <p>When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company's directors, <u>independent directors</u>, 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.</p>	<p>Amendment to laws</p>
<p>Article 12</p> <p>Prohibition of improper charitable donations or sponsorship</p> <p>When making or offering donations and sponsorship, the Company's 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.</p>	<p>Article 12</p> <p>Prohibition of improper charitable donations or sponsorship</p> <p>When making or offering donations and sponsorship, the Company's directors, <u>independent directors</u>, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 13 Prohibition of unreasonable presents or hospitality, or other improper benefits</p> <p>The Company’s 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.</p>	<p>Article 13 Prohibition of unreasonable presents or hospitality, or other improper benefits</p> <p>The Company’s directors, <u>independent directors</u>, 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.</p>	Amendment to laws
<p>Article 14 Prohibition of intellectual property rights infringement</p> <p>The Company’s 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.</p>	<p>Article 14 Prohibition of intellectual property rights infringement</p> <p>The Company’s directors, <u>independent directors</u>, 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.</p>	Amendment to laws
<p>Article 16 Prevention of harm to stakeholders from products or services</p> <p>In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.</p>	<p>Article 16 Prevention of harm to stakeholders from products or services</p> <p>In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, <u>independent directors</u>, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.</p>	Amendment to laws

Existing Provisions	Amended Articles	Explanation
<p>Article 17</p> <p>The directors, <u>supervisors</u>, 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 Company shall establish a dedicated unit that is under the board of directors, responsible for 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:</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. Adopting 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. 	<p>Article 17</p> <p>The directors, <u>independent directors</u>, 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 Company shall establish a dedicated unit that is under the board of directors <u>and avail itself of adequate resources and staff itself with competent personnel, responsible for 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):</u></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. 	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>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>	<p>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>	
<p>Article 18 Regulatory compliance in conducting business</p> <p>The Company's directors, supervisors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>Article 18 Regulatory compliance in conducting business</p> <p>The Company's directors, <u>independent directors</u>, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.</p>	<p>Amendment to laws</p>
<p>Article 19 Conflict of interest prevention for directors and managers</p> <p>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.</p> <p>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 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.</p> <p>The Companies' 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.</p>	<p>Article 19 Conflict of interest prevention for directors and managers</p> <p>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, <u>independent directors</u>, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.</p> <p>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, <u>independent directors</u>, managers, and other stakeholders attending or present at board meetings of 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.</p> <p>The Companies' directors, <u>independent directors</u>, 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.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
	<p>Article 20</p> <p><u>The Company shall establish effective accounting systems and internal control systems for business activities possibly 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.</u></p> <p><u>The internal audit unit of 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.</u></p> <p><u>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.</u></p>	New Provisions
<p>Article 21</p> <p>The Company shall establish operational procedures and guidelines for the prevention of dishonest conduct. The procedures and guidelines should at least contain the following matters:</p> <ol style="list-style-type: none"> 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. 	<p>Article 21</p> <p><u>The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, independent directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:</u></p> <ol style="list-style-type: none"> 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. 	Amendment to laws

Existing Provisions	Amended Articles	Explanation
<p>Article 22 Training and performance appraisal</p> <p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>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.</p> <p>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.</p>	<p>Article 22 Training and performance appraisal</p> <p>The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.</p> <p>The Company shall periodically organize training and awareness programs for directors, <u>independent</u> directors, 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.</p> <p>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.</p>	<p>Amendment to laws</p>
<p>Article 23</p> <p>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <ol style="list-style-type: none"> 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. 	<p>Article 23</p> <p>The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:</p> <ol style="list-style-type: none"> 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. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted. 	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>3. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</p> <p>4. Confidentiality of the identity of whistle-blowers and the content of reported cases.</p> <p>5. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</p> <p>6. Whistle-blowing incentive measures.</p> <p>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.</p>	<p>3. <u>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.</u></p> <p>4. <u>Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</u></p> <p>5. <u>Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.</u></p> <p>6. <u>Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.</u></p> <p>7. <u>Whistle-blowing incentive measures.</u></p> <p>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 in written form.</p>	
<p>Article 26 Improvement of ethical corporate management best practice Principles</p> <p>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.</p>	<p>Article 26 Improvement of ethical corporate management best practice Principles</p> <p>The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, <u>independent directors</u>, 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.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 27</p> <p>The ethical corporate management best practice principles of each company shall be implemented after the board of directors grants the approval, and shall be sent to the <u>supervisors</u> and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p><u>If the Company has appointed independent directors</u>, when submitting its ethical corporate management best practice principles to the board of directors for discussion, 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.</p> <p>The Principles was established on November 12, 2014.</p>	<p>Article 27</p> <p>The ethical corporate management best practice principles of each company shall be implemented after the board of directors grants the approval, and shall be sent to the <u>independent directors</u> and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.</p> <p>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.</p> <p>The Company has established an audit committee, the provisions regarding independent directors in these Principles shall apply mutatis mutandis to the audit committee.</p> <p>The Principles was established on November 12, 2014.</p> <p><u>The Principles was amended on May 9, 2024.</u></p>	<p>Amendment to laws and inclusion of revision date</p>

Comparison Table of Revisions to the “Procedures for Ethical Management and Guidelines for Conduct”

Existing Provisions	Amended Articles	Explanation
<p>Article 2</p> <p>For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, managerial officer, employee, mandatary or person having substantial control, of this Corporation.</p> <p>Any provision, promise, request, or acceptance of improper benefits by any personnel of this Corporation through a third party will be presumed to be an act by the personnel of this Corporation.</p>	<p>Article 2</p> <p>For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, independent director, managerial officer, employee, mandatary or person having substantial control, of this Corporation.</p> <p>Any provision, promise, request, or acceptance of improper benefits by any personnel of this Corporation through a third party will be presumed to be an act by the personnel of this Corporation.</p>	Amendment to laws
<p>Article 5</p> <p>This Corporation shall designate the Ethical Management Promotion Team as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and is tasked with planning and revising these Procedures and Guidelines. In accordance with the Company's Ethical Management Principles, the team consolidates and reviews the implementation of ethical management by relevant departments, as well as provides interpretation and advisory services. The primary responsibilities of the Ethical Management Promotion Team include the following and shall be reported to the board of directors on a regular basis.</p>	<p>Article 5</p> <p>This Corporation shall designate the Ethical Management Promotion Team as the solely responsible unit (hereinafter, "responsible unit") under the board of directors <u>and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:</u></p> <ol style="list-style-type: none"> 1. <u>Assisting in incorporating ethics and moral values into this Corporation'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.</u> 2. <u>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> 	Amendment to laws

Existing Provisions	Amended Articles	Explanation
	<ol style="list-style-type: none"> 3. <u>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.</u> 4. <u>Promoting and coordinating awareness and educational activities with respect to ethics policy.</u> 5. <u>Developing a whistle-blowing system and ensuring its operating effectiveness.</u> 6. <u>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.</u> 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 9 This Corporation does not provide any political contributions.</p>	<p>Article 9 <u>Political contributions by this Corporation shall be made in accordance with the relevant internal procedures after being reported to and approved by the board of directors:</u></p> <ol style="list-style-type: none"> 1. <u>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.</u> 2. <u>A written record of the decision-making process shall be kept.</u> 3. <u>Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.</u> 4. <u>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.</u> 	Amendment to laws

Existing Provisions	Amended Articles	Explanation
<p>Article 10</p> <p>Charitable donations or sponsorships by this Corporation shall be provided in accordance with the following provisions:</p> <ol style="list-style-type: none"> 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 <u>and reviewed for approval by the Personnel Review Committee.</u> 3. A charitable donation shall be given to a valid charitable institution registered with the local government, and must comply with tax laws and regulations. They must 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. 	<p>Article 10</p> <p>Charitable donations or sponsorships by this Corporation shall be provided in accordance with the following provisions:</p> <ol style="list-style-type: none"> 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 registered with the local government, and must comply with tax laws and regulations. They must 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. <u>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.</u> 	<p>Amendment to laws</p>
<p>Article 11</p> <p>When a director, officer or other stakeholder of this Corporation 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 this Corporation 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.</p>	<p>Article 11</p> <p>When a director, <u>independent directors</u>, officer or other stakeholder of this Corporation 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, <u>independent directors</u>, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation 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.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.</p> <p>No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.</p>	<p><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></p> <p>If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.</p> <p>No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.</p>	
<p>Article 13</p> <p>No employee of the Company shall disclose any business confidential information obtained in the course of their duties to any third party, nor shall they inquire about or gather business confidential information unrelated to their job responsibilities.</p>	<p>Article 13</p> <p><u>This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.</u></p>	Amendment to laws
<p>Article 14</p> <p>Employees of the Corporation shall comply with the provisions of the Securities Exchange Act and shall not engage in insider trading by using any non-public information obtained in the course of their duties. They shall also not disclose such information to others, to prevent others from using the non-public information for insider trading.</p>	<p>Article 14</p> <p><u>This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.</u></p>	Amendment to laws

Existing Provisions	Amended Articles	Explanation
	<p><u>This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.</u></p> <p><u>Where there are media reports, or sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, this Corporation shall immediately recall those products or suspend the services, verify the facts and present a review and improvement plan.</u></p> <p><u>The responsible unit of this Corporation shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.</u></p>	
<p>Article 15</p> <p>Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.</p>	<p>Article 15</p> <p><u>All personnel of this Corporation shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.</u></p> <p>Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.</p>	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>Article 16</p> <p>This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</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>This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>	<p>Amendment to laws</p>
<p>Article 17</p> <p>Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Corporation shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in 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.</p> <p>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:</p> <ol style="list-style-type: none"> 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. The long-term business condition and degree of goodwill of the enterprise. 4. Consultation with the enterprise's business partners on their opinion of the enterprise. 	<p>Article 17</p> <p>Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Corporation shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in 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.</p> <p>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:</p> <ol style="list-style-type: none"> 1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment. 2. <u>Whether the business operated by the enterprise is in an industry with a high risk of bribery.</u> 3. The long-term business condition and degree of goodwill of the enterprise. 4. Consultation with the enterprise's business partners on their opinion of the enterprise. 	<p>Amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
5. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.	5. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.	
<p>Article 21</p> <p>When the Corporation discovers or receives reports of any employee's involvement in unethical behavior, it shall immediately investigate the relevant facts. If it is confirmed that there has been a violation of applicable laws or the Corporation's ethical management policies and regulations, the Corporation shall promptly require the individual to cease such behavior and take appropriate actions. If necessary, legal proceedings may be initiated to seek compensation for damages in order to protect the Corporation's reputation and interests.</p> <p>The Corporation shall assign the relevant department to review the internal control systems and operating procedures related to the unethical behavior and propose corrective measures to prevent the recurrence of similar actions.</p>	<p>Article 21</p> <p><u>As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, this Corporation will grant an appropriate reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.</u></p> <p><u>This Corporation 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 insiders and outsiders of this Corporation to submit reports. A whistleblower shall at least furnish the following information:</u></p> <ol style="list-style-type: none"> <u>1. the whistleblower's name and I.D. number (whistleblowing reports may be submitted anonymously), and an address, telephone number and e-mail address where it can be reached.</u> <u>2. the informed party's name or other information sufficient to distinguish its identifying features.</u> <u>3. specific facts available for investigation.</u> <p><u>Personnel of this Corporation 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 whistleblowing.</u></p> <p><u>The responsible unit of this Corporation shall observe the following procedure in handling whistleblowing matters:</u></p> <ol style="list-style-type: none"> <u>1. An information shall be reported to the department head if involving the rank and file and to an independent director if involving a director or a senior executive.</u> <u>2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.</u> 	Amendment to laws

Existing Provisions	Amended Articles	Explanation
	<p>3. <u>If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</u></p> <p>4. <u>Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.</u></p> <p>5. <u>With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.</u></p> <p>6. <u>The responsible unit of this Corporation shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.</u></p>	
<p>Article 24</p> <p>These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by the Audit Committee and resolution of the board of directors, and shall be delivered to each independent director and reported to the shareholders meeting.</p> <p>These Procedures for Ethical Management and Guidelines for Conduct were established on March 27, 2017.</p>	<p>Article 24</p> <p>These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each independent director and reported to the shareholders meeting.</p> <p><u>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.</u></p> <p>These Procedures for Ethical Management and Guidelines for Conduct were established on March 27, 2017.</p> <p><u>These Procedures for Ethical Management and Guidelines for Conduct were revised on May 9, 2024.</u></p>	<p>Amendment to laws and inclusion of revision date</p>

Comparison Table of Revisions to the “Codes of Ethical Conduct”

Existing Provisions	Amended Articles	Explanation
<p>1. Purpose of and basis for adoption</p> <p>These Guidelines are adopted for the purpose of encouraging directors, supervisors, and managerial officers of the Company to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.</p>	<p>1. Purpose of and basis for adoption</p> <p>These Guidelines are adopted for the purpose of encouraging directors, <u>independent directors</u>, and managerial officers of the Company to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.</p>	Amendment to laws
<p>2. Scope of the code</p> <p>These codes of ethical conduct apply to the Company's directors, supervisors, and managerial officers (including general managers, assistant general managers, deputy assistant general managers, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company).</p>	<p>2. Scope of the code</p> <p>These codes of ethical conduct apply to the Company's directors, <u>independent directors</u>, and managerial officers (including general managers, assistant general managers, deputy assistant general managers, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company).</p>	Amendment to laws
<p>3. Codes of ethical conduct to be followed</p> <p>(1) Prevention of conflicts of interest:</p> <p>Directors, <u>supervisors</u>, and managerial officers should avoid any situations that may create a conflict between personal interests and the interests of the company. A conflict of interest arises when a director, supervisor or managerial officer is unable to handle company affairs objectively and efficiently or when their position in the company may result in improper benefits for themselves, their spouse, parents, children, or relatives within three degrees of kinship. Directors, <u>supervisors</u> and managerial officers must prioritize the company's best interests and must not seek personal gain. If a potential conflict of interest arises, they must promptly and truthfully report it to the board of directors in writing.</p> <p>To prevent improper benefit transfers, the company strictly prohibits providing loans or guarantees to directors, <u>supervisors</u>, managerial officers, or their affiliated enterprises.</p>	<p>3. Codes of ethical conduct to be followed</p> <p>(1) Prevention of conflicts of interest:</p> <p>Directors, <u>independent directors</u>, and managerial officers should avoid any situations that may create a conflict between personal interests and the interests of the company. A conflict of interest arises when a director or managerial officer is unable to handle company affairs objectively and efficiently or when they, <u>their spouse, or relatives within the second degree of kinship obtain improper benefits due to their position in the company</u>. Directors and managerial officers must prioritize the company's best interests and must not seek personal gain. If a potential conflict of interest arises, they must promptly and truthfully report it to the board of directors in writing.</p> <p>To prevent improper benefit transfers, the company strictly prohibits providing loans or guarantees to directors, <u>independent directors</u>, managerial officers, or their affiliated enterprises.</p>	Amendment to laws

Existing Provisions	Amended Articles	Explanation
<p>(2) Minimizing incentives to pursue personal gain: Directors, supervisors and managerial officers have an obligation to safeguard the legitimate interests of the company. No personnel may use company assets, information, or their position for personal gain. Without the approval of the shareholders' meeting, directors and supervisors shall not engage in any business activities that compete with the company. Additionally, managerial officers must obtain approval from the board of directors before engaging in such activities.</p> <p>(3) Confidentiality: Unless authorized or required by law to disclose, directors and managerial officers shall not use any information obtained through their position regarding the company, its suppliers, or its customers for personal gain or for the benefit of any related parties.</p> <p>(4) Fair trade: The Company shall not seek profit through any improper means. Directors, supervisors, managerial officers, and employees must exercise restraint and sound judgment to avoid accepting gifts, hospitality, or other forms of compensation from individuals or organizations that have business dealings with the Company, as well as from the Company's competitors. All individuals must comply with legal regulations and uphold the highest ethical standards of the Company, treating suppliers, customers, competitors, and employees fairly. No personnel shall obtain improper benefits through any unethical means.</p> <p>(5) Safeguarding and proper use of company assets: Directors, supervisors, managerial officers, and employees have a responsibility to protect the company's assets. Unless approved by the company's management, they shall not use or misappropriate company assets for personal purposes. Additionally, they must take measures to prevent waste or theft of company assets, which could impact the company's profitability.</p>	<p>(2) Minimizing incentives to pursue personal gain: Directors, <u>independent directors</u>, and managerial officers have an obligation to safeguard the legitimate interests of the company. No personnel may use company assets, information, or their position for personal gain. Without the approval of the shareholders' meeting, directors shall not engage in any business activities that compete with the company. Additionally, managerial officers must obtain approval from the board of directors before engaging in such activities.</p> <p>(3) Confidentiality: Unless authorized or required by law to disclose, directors, <u>independent directors</u>, and managerial officers shall not use any information obtained through their position regarding the company, its suppliers, or its customers for personal gain or for the benefit of any related parties.</p> <p>(4) Fair trade: The Company shall not seek profit through any improper means. Directors, <u>independent directors</u>, managerial officers, and employees must exercise restraint and sound judgment to avoid accepting gifts, hospitality, or other forms of compensation from individuals or organizations that have business dealings with the Company, as well as from the Company's competitors. All individuals must comply with legal regulations and uphold the highest ethical standards of the Company, treating suppliers, customers, competitors, and employees fairly. No personnel shall obtain improper benefits through any unethical means.</p> <p>(5) Safeguarding and proper use of company assets: Directors, <u>independent directors</u>, managerial officers, and employees have a responsibility to protect the company's assets. Unless approved by the company's management, they shall not use or misappropriate company assets for personal purposes. Additionally, they must take measures to prevent waste or theft of company assets, which could impact the company's profitability.</p>	

Existing Provisions	Amended Articles	Explanation
<p>(6)Legal compliance: Directors, supervisors, managerial officers, and employees must comply with all laws and regulations governing the Company. The Company has a legal department responsible for providing legal consultation and guidance. Any individual with legal-related concerns may directly contact this department.</p> <p>(7)Encouraging reporting on illegal or unethical activities: Directors, supervisors, managers, and employees must comply with laws and regulations and adhere to the Company's Code of Ethical Conduct. If anyone suspects or discovers a violation of laws, regulations, or the Code of Ethical Conduct, they should provide relevant information and report it to their direct supervisor or the Internal Audit Department. The Company will investigate each report thoroughly and make every effort to protect the whistleblower's safety and keep their identity confidential.</p> <p>(8)Disciplinary measures: Directors, supervisors, managerial officers, and employees must be familiar with and adhere to these ethical conduct guidelines. Any director, managerial officer, or employee who violates these codes will be subject to disciplinary action, including possible dismissal, and may also face legal consequences. Additionally, the Company will promptly disclose information regarding the violator, including their title, name, date of violation, reason for violation, breached guidelines, and the actions taken, on the MOPS.</p>	<p>(6)Legal compliance: Directors, managerial officers, and employees must comply with all laws and regulations governing the Company. The Company has a legal department responsible for providing legal consultation and guidance. Any individual with legal-related concerns may directly contact this department.</p> <p>(7) Encouraging reporting on illegal or unethical activities: <u>The company shall raise awareness of ethics internally and encourage employees to report to a company independent director, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make employees aware that the company will use its best efforts to ensure the safety of whistleblowers and protect them from reprisals.</u></p> <p>(8) Disciplinary measures: Directors, <u>independent directors</u>, managerial officers, and employees must be familiar with and adhere to these ethical conduct guidelines. Any director, managerial officer, or employee who violates these codes will be subject to disciplinary action, including possible dismissal, and may also face legal consequences. Additionally, the Company will promptly disclose information regarding the violator, including their title, name, date of violation, reason for violation, breached guidelines, and the actions taken, on the MOPS.</p>	<p>Amendment to laws</p>
<p>3. Procedures for exemption</p> <p>Under special circumstances, the board of directors may grant exemptions from the application of these codes of ethical conduct to directors, supervisors or managerial officers. The Company will promptly disclose relevant information on the MOPS, including the title and name of the exempted individual, the date of board approval, the duration of the exemption, the reason for the exemption, and the applicable guidelines being exempted. This disclosure ensures that shareholders can evaluate the appropriateness of the board's decision.</p>	<p>4. Procedures for exemption</p> <p>Under special circumstances, the Board of Directors may grant exemptions from the application of these codes of ethical conduct to directors, <u>independent directors</u>, or managerial officers. The Company will promptly disclose relevant information on the MOPS, including the title and name of the exempted individual, the date of board approval, the duration of the exemption, the reason for the exemption, and the applicable guidelines being exempted. This disclosure ensures that shareholders can evaluate the appropriateness of the board's decision.</p>	<p>Revised of content and amendment to laws</p>

Existing Provisions	Amended Articles	Explanation
<p>4. Method of disclosure The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, in its annual reports, prospectuses and on the MOPS.</p>	<p><u>5.</u> Method of disclosure The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, in its annual reports, prospectuses and on the MOPS.</p>	<p>Revised of content and amendent to laws</p>
<p>5. Enforcement These codes of ethical conduct shall take effect after having been submitted to and approved by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p> <p>These codes were established on November 12, 2014.</p>	<p><u>6.</u> Enforcement These codes of ethical conduct shall take effect after having been submitted to and approved by the board of directors, delivered to each <u>independent director</u>, and submitted to a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p> <p>These codes were established on November 12, 2014.</p> <p><u>These codes were amended on May 9, 2024.</u></p>	<p>Revised of content and inclusion of revision date</p>

Independent Auditors' Report

To the Board of Directors Ching Feng Home Fashions Co., Ltd. :

Opinion

We have audited the accompanying consolidated financial statements of Ching Feng Home Fashions Co., Ltd., and its subsidiaries (collectively, the “Ching Feng Home Fashions Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively, the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Ching Feng Home Fashions Group as of December 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations approved and published 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 auditing standards generally accepted 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 Ching Feng Home Fashions Group in accordance with the Norm of Professional Ethics for Certified Public Accountant. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. 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. Key audit matter for the Ching Feng Home Fashions Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

1. Revenue Recognition

For the accounting policy on revenue recognition, please refer to Notes 4 (15) to the consolidated financial report. For the disclosure of revenue, please refer to Note 6 (23).

Explanation of key audit matters:

Operating revenue is an important indicator for investors and management to evaluate the financial and business performance of Ching Feng Home Fashions Group. Whether the amount and timing of income recognition are correct will have a significant impact on financial reports. Thus, the authenticity and rationality of revenue recognition is a matter that accountants must pay close attention to when auditing the consolidated financial reports.

Corresponding audit procedures:

The main audit procedures of on the above key audit matter include:

- Assessed the rationality for revenue recognition (including sales discounts and allowance).
- For new customers who are a related party and have a large transaction volume, and new top ten customers, we checked the similarities and differences between their conditions of transaction and those of general customers, and whether there are any abnormal frequent or major returns, to evaluate the authenticity of income.
- Selected an appropriate sample size of sales invoices and shipping documents, checked and confirmed the receipt of payment, and paid attention to whether the remitter is the same as the purchaser to evaluate the authenticity of the income.
- Based on the delivery conditions, checked the shipping documents before and after the end of the year to assess the correctness of the period of revenue recognition.

Others

Ching Feng Home Fashions Co., Ltd. has prepared parent company only financial reports for the years ended December 31, 2024 and 2023, and we have also issued unmodified opinions for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 Ching Feng Home Fashions 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 Ching Feng Home Fashions Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Ching Feng Home Fashions 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 auditing standards 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 auditing standards, 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 Ching Feng Home Fashions 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 Ching Feng Home Fashions Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention of users 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 Ching Feng Home Fashions Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 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 audit resulting in this independent auditors' report are:

KPMG, Taiwan
Chuang, Chun-Wei
Yu, Chi-Lung
February 27, 2025

Notice to Readers

For the convenience of readers, the independent auditors' reports and the accompanying consolidated financial statements, parent company only financial statements have been translated into English from the original Chinese version prepared and used in Taiwan. 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.

Ching Feng Home Fashions Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2024		December 31, 2023			Liabilities and Equity	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets :						Current liabilities :				
1100 Cash and cash equivalents (Note 6(1))	\$ 621,137	8	497,239	7	2100	Short-term loans (Note 6(13) and 8)	\$ 210,000	3	-	-
1110 Financial assets at fair value through profit or loss - current (Note 6(2))	27,611	1	32,561	-	2110	Short-term notes and bills payable (Note 6(14) and 8)	189,858	3	159,846	2
1150 Net notes receivable (Note 6(3))	204	-	-	-	2120	Financial liabilities at fair value through profit or loss - current (Note 6(2))	7,450	-	1,379	-
1170 Net accounts receivable (Note 6(3))	1,563,114	21	1,199,201	18	2150	Notes and Accounts payable	774,967	10	675,961	10
1200 Other receivables (Note 6(4))	172,028	2	376,682	6	2200	Other payables	369,343	5	254,584	4
1220 Current tax assets (Note 6(19))	761	-	-	-	2220	Other payables - related parties (Note 7)	18	-	-	-
130X Inventories (Note 6(5))	1,148,244	15	904,514	14	2230	Current income tax liabilities (Note (19))	51,150	1	105,454	2
1410 Prepayments	170,502	2	129,504	2	2280	Lease liabilities - current (Note 6(17))	20,866	-	24,240	-
1470 Other current assets (Note 6(7))	224,953	3	127,187	2	2305	Other financial liabilities - current	85,000	1	-	-
1476 Other financial assets - current (Note 8)	157,548	2	194,088	3	2320	Long-term liabilities due within 1 year or 1 business cycle (Note 6(15))	232,296	3	264,529	4
Total current assets	4,086,102	54	3,460,976	52	2399	Other current liabilities - Others	5,703	-	5,113	-
Non-current assets :						Total current liabilities	1,946,651	26	1,491,106	22
1511 Financial assets at fair value through profit or loss - non-current (Note 6(2), (16) and 8)	274,648	4	-	-	2500	Non-current liabilities :				
1600 Property, plant and equipment (Notes 6(8) and 8)	2,311,958	30	2,320,303	35	2500	Financial liabilities at fair value through profit or loss - non-current (Note 6(2) and (16))	2,040	-	-	-
1755 Right-of-use assets (Note 6(9))	567,336	7	541,508	8	2530	Bonds payable (Notes 6(2), (16))	277,061	4	-	-
1760 Investment property, net (Note 6(10))	74,653	1	31,290	-	2540	Long-term loans (Note 6(15), 8)	2,420,159	32	2,818,291	42
1780 Intangible assets (Note 6(11))	90,224	1	101,563	2	2569	Current tax liabilities - non-current (Note 6(19))	6,888	-	26,484	1
1840 Deferred income tax assets (Note 6(19))	72,770	1	83,059	1	2570	Deferred income tax liabilities (Note 6(19))	21,706	-	9,688	-
1915 Advance payment for equipment	44,594	1	71,486	1	2580	Lease liabilities - non-current (Note 6(17))	79,759	1	51,908	1
1900 Other non-current assets (Notes 6(12))	55,748	1	42,456	1	2670	Other current liabilities - others	1,348	-	1,383	-
Total non-current assets	3,491,931	46	3,191,665	48		Total non-current liabilities	2,808,961	37	2,907,754	44
						Total liabilities	4,755,612	63	4,398,860	66
						Equity attributable to owners of parent (Notes 6(16) and (20)):				
					3110	Ordinary shares	1,778,389	24	1,738,389	26
					3200	Capital surplus	111,098	1	13,030	-
					3300	Retained earnings	933,806	12	605,012	9
					3400	Other components of equity	(872)	-	(92,700)	(1)
					3500	Treasury Shares	-	-	(9,950)	-
						Total equity attributable to owners of the parent company	2,822,421	37	2,253,781	34
						Total equity	2,822,421	37	2,253,781	34
Total Assets	\$ 7,578,033	100	6,652,641	100		Total liabilities and equity	\$ 7,578,033	100	6,652,641	100

Ching Feng Home Fashions Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the years ended December 31,			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(23) and 7)	\$ 5,399,082	100	4,547,224	100
5000	Operating costs (Notes 6(5), (18), (21) and 7)	4,085,112	76	3,637,227	80
	Gross profit	1,313,970	24	909,997	20
	Operating expenses (Notes 6(18), (21) and 7):				
6100	Selling and marketing expenses	337,381	6	226,830	5
6200	General and administrative expenses	348,706	6	340,214	7
6300	Research and development expenses	85,874	2	74,691	2
6450	Expected credit losses (gains) (Note 6(3) and (26))	(24,919)	-	24,528	1
	Total operating expenses	747,042	14	666,263	15
	Operating income	566,928	10	243,734	5
	Non-operating income and expenses (Note 6(25)):				
7100	Interest income	24,014	-	9,666	-
7010	Other income	8,516	-	6,849	-
7020	Other gains and losses	40,902	1	(12,785)	-
7050	Financing costs	(94,118)	(1)	(93,060)	(2)
7060	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method, net	-	-	(95)	-
	Total non-operating income and expenses	(20,686)	-	(89,425)	(2)
7900	Net income before tax	546,242	10	154,309	3
7950	Less: Income tax expense (Note 6(19))	130,779	2	50,305	1
	Net income	415,463	8	104,004	2
8300	Other comprehensive income (Note 6(19) and (20)):				
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences on translation of foreign operating institutions	99,100	2	(36,620)	(1)
8399	Less: Income tax related to items that may be reclassified subsequently	22,957	-	(7,324)	-
	Total items that may subsequently be reclassified to profit or loss	76,143	2	(29,296)	(1)
8300	Total other comprehensive income (loss)	76,143	2	(29,296)	(1)
	Total comprehensive income (loss)	\$ 491,606	10	74,708	1
	Earnings per share (Note 6(22))				
9750	Basic earnings per share (Unit: NT\$)	\$ 2.39		0.60	
9850	Diluted earnings per share (Unit: NT\$)	\$ 2.37		0.60	

Ching Feng Home Fashions Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary Shares	Capital Surplus	Retained earnings			Other equity	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations		
Balance as of January 1, 2023	\$ 1,696,233	13,030	72,622	184,067	396,080	(63,404)	(19,930)	2,278,698
Appropriations of earnings :								
Legal reserve	-	-	22,059	-	(22,059)	-	-	-
Reversal of special reserve	-	-	-	(120,663)	120,663	-	-	-
Cash dividends	-	-	-	-	(109,605)	-	-	(109,605)
Stock dividends	42,156	-	-	-	(42,156)	-	-	-
Transfer of treasury shares	-	-	-	-	-	-	9,980	9,980
Net income of the period	-	-	-	-	104,004	-	-	104,004
Other comprehensive income (loss) of the period	-	-	-	-	-	(29,296)	-	(29,296)
Total comprehensive income (loss) of the period	-	-	-	-	104,004	(29,296)	-	74,708
Balance as of December 31, 2023	1,738,389	13,030	94,681	63,404	446,927	(92,700)	(9,950)	2,253,781
Appropriations of earnings :								
Legal reserve	-	-	10,400	-	(10,400)	-	-	-
Special reserve	-	-	-	29,296	(29,296)	-	-	-
Cash dividends	-	-	-	-	(86,669)	-	-	(86,669)
Net income of the period	-	-	-	-	415,463	-	-	415,463
Other comprehensive income (loss) of the period	-	-	-	-	-	76,143	-	76,143
Total comprehensive income (loss) of the period	-	-	-	-	415,463	76,143	-	491,606
Issue of shares	40,000	67,200	-	-	-	-	-	107,200
Equity Component of Convertible Bonds – Share Options	-	21,661	-	-	-	-	-	21,661
Transfer of treasury shares	-	5,820	-	-	-	-	9,950	15,770
Liquidation of subsidiaries	-	-	-	-	-	15,685	-	15,685
Share-based payments	-	3,387	-	-	-	-	-	3,387
Balance as of December 31, 2024	\$ 1,778,389	111,098	105,081	92,700	736,025	(872)	-	2,822,421

Ching Feng Home Fashions Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2024	2023
Cash flows from operating activities :		
Net income before tax	\$ 546,242	154,309
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	225,358	202,406
Amortization expense	38,105	31,345
Expected credit (gains) losses	(24,919)	24,528
Net losses on financial assets at fair value through profit or loss	9,236	351
Interest expense	94,118	93,060
Interest income	(24,014)	(9,666)
Share-based payments	9,207	-
Share of loss (profit) of associates and joint ventures accounted or using equity method	-	95
Loss (gain) on disposal of property, plant and equipment, net	27,403	369
Loss (gain) on disposal of investments accounted for using equity method	-	(95)
Others	15,637	(43)
Total adjustments to reconcile profit (loss)	370,131	342,350
Changes in assets and liabilities related to operating activities :		
Changes in assets related to operating activities:		
Notes receivable	(204)	600
Accounts receivable	(364,017)	454,205
Accounts receivable - related parties	-	149,890
Other receivables	198,983	(90,042)
Inventories	(243,730)	55,083
Prepayments	(46,663)	(8,055)
Other current assets	(45,569)	(105,421)
Total net changes in assets related to operating activities	(501,200)	456,260
Changes in liabilities related to operating activities :		
Notes and Accounts payable	99,006	(106)
Other payables	114,420	12,006
Other payables - related parties	18	-
Other current liabilities	590	2,350
Total net changes in liabilities related to operating activities	214,034	14,250
Total net changes in assets and liabilities related to operating activities	(287,166)	470,510
Total adjustment	82,965	812,860

Ching Feng Home Fashions Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2024	2023
Cash inflow generated from operations	\$ 629,207	967,169
Interest charged	20,445	9,666
Interest paid	(88,834)	(89,453)
Income taxes paid	(205,103)	(60,532)
Net cash flows from operating activities	355,715	826,850
Cash flows from investing activities :		
Acquisition of financial assets at fair value through profit or loss	(387,982)	(17,404)
Disposal of financial assets at fair value through profit or loss	120,282	6,198
Financial liabilities at fair value through profit or loss.	(4,264)	(3,907)
Acquisition of investments accounted for using equity method	-	(2,400)
Disposal of investment accounted for using equity method	-	2,400
Acquisition of property, plant and equipment	(199,152)	(142,134)
Proceeds from disposal of property, plant and equipment	7,555	3,834
Other receivables increased	-	(12,021)
Other receivables - related parties decreased	28,209	-
Acquisition of intangible assets	(3,502)	(1,200)
Acquisition of use-of-right assets	-	(3,395)
Acquisition of investment properties	(22,099)	(31,304)
Other financial assets - current decreased (increased)	36,540	(29,213)
Other non-current assets increased	(20,354)	(35)
Advance payment for equipment increased	(21,195)	(19,313)
Net cash flows used in investing activities	(465,962)	(249,894)
Cash flows from financing activities :		
Short-term loans	820,000	391,028
Repayment of short-term loans	(610,000)	(718,620)
Increase in short-term notes and bills payable	140,012	219,846
Decrease in short-term notes and bills payable	(110,000)	(60,000)
Proceeds from issuing bonds	298,222	-
Long-term loans	95,000	-
Repayment of long-term loans	(528,710)	(311,819)
Payments of lease liabilities	(31,309)	(28,690)
Other financial liabilities increased	85,000	-
Other non-current liabilities decreased	(35)	(29)
Cash dividends paid	(86,669)	(109,605)
Proceeds from issuing shares	107,200	-
Exercise of employee share options	9,950	9,980
Net cash flows from financing activities	188,661	(607,909)
Effects of exchange rate changes	45,484	(11,141)
Net increase (decrease) in cash and cash equivalents	123,898	(42,094)
Cash and equivalent cash, beginning balance	497,239	539,333
Cash and equivalent cash, ending balance	\$ 621,137	497,239

Independent Auditors' Report

To the Board of Directors of Ching Feng Home Fashions Co., Ltd. :

Opinion

We have audited the accompanying parent company only financial statements of Ching Feng Home Fashions Co., Ltd. (collectively, the “Company”), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended. and notes to the parent company only financial statements, including material accounting policy information (collectively, the “parent company only financial statements”).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matter for the Company's parent company only financial statements for the year ended December 31, 2024 is stated as follows:

1. Revenue Recognition

For the accounting policy on revenue recognition, please refer to Note 4 (15) to the parent company only financial report. For the disclosure of revenue, please refer to Note 6 (22).

Explanation of key audit matters:

Operating revenue is an important indicator for investors and management to evaluate the financial and business performance of the Company. Whether the amount and timing of income recognition are correct will have a significant impact on financial reports. Thus, the authenticity and rationality of revenue recognition is a matter that accountants must pay close attention to when auditing the parent company only financial reports.

Corresponding audit procedures:

The main audit procedures of on the above key audit matter include:

- Assessed the rationality for revenue recognition (including sales discounts and allowance).
- For new customers who are a related party and have a large transaction volume, and new top ten customers, we checked the similarities and differences between their conditions of transaction and those of general customers, and whether there are any abnormal frequent or major returns, to evaluate the authenticity of income.
- Selected an appropriate sample size of sales invoices and shipping documents, checked and confirmed the receipt of payment, and paid attention to whether the remitter is the same as the purchaser to evaluate the authenticity of the income.
- Based on the delivery conditions, checked the shipping documents before and after the end of the year to assess the correctness of the period of revenue recognition.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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 parent company only financial statements for the year ended December 31, 2024 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 diverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are:

KPMG, Taiwan
Chuang, Chun-Wei
Yu, Chi-Lung
February 27, 2025

Notice to Readers

For the convenience of readers, the independent auditors' reports and the accompanying consolidated financial statements, parent company only financial statements have been translated into English from the original Chinese version prepared and used in Taiwan. 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.

Ching Feng Home Fashions Co., Ltd.

Parent Company Only Balance Sheet

December 31, 2024 and 2023

(Expressed in thousands of New Taiwan dollars)

Assets		December 31, 2024		December 31, 2023		Liabilities and Equity		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets						Current liabilities					
1100	Cash and cash equivalents (Note 6(1))	\$ 402,481	5	382,634	6	2100	Short-term loans (Note 6(12) and 8)	\$ 210,000	3	-	-
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	27,611	-	32,561	-	2110	Short-term notes and bills payable (Note 6(13) and 8)	189,858	3	159,846	3
1150	Net notes receivable (Note 6(3))	204	-	-	-	2120	Financial liabilities at fair value through profit or loss-current (Note 6(2))	7,450	-	1,379	-
1170	Net accounts receivable (Note 6(3))	192,357	3	154,682	2	2150	Notes and Accounts payable	383,736	6	465,983	7
1180	Accounts receivable - net amount of related parties (Notes 6(3), 7)	1,141,793	15	908,691	14	2180	Notes payable and accounts payable - related parties (Note 7)	362,531	5	416,239	6
1200	Other receivables (Note 6(4))	171,012	2	357,342	5	2200	Other payables	307,812	4	150,463	2
1210	Other receivables - related parties (Note 7)	137,067	2	197,000	3	2220	Other payables - related parties (Note 7)	50	-	71	-
130X	Inventories (Note 6(5))	336,842	5	278,313	4	2230	Current income tax liabilities (Note (18))	28,237	-	82,781	1
1410	Prepayments (Note 6(7))	40,108	1	50,169	1	2280	Lease liabilities - current (Note 6(16))	9,645	-	7,491	-
1470	Other current assets (Note 6(8))	216,393	3	169,047	3	2305	Other financial liabilities - current	85,000	1	-	-
1476	Other financial assets - current (Note 8)	156,880	2	193,463	3	2320	Long-term liabilities due within 1 year or 1 business cycle (Note 6(14))	232,296	3	264,529	4
	Total current assets	<u>2,822,748</u>	<u>38</u>	<u>2,723,902</u>	<u>41</u>	2399	Other current liabilities - Others	4,723	-	4,854	-
	Non-current assets						Total current liabilities	<u>1,821,338</u>	<u>25</u>	<u>1,553,636</u>	<u>23</u>
1511	Financial assets at fair value through profit or loss - non-current (Note 6(2), (15) and 8)	274,648	4	-	-		Non-current liabilities :				
1551	Investment accounted for using equity method (Note 6(6))	2,633,665	36	2,341,355	35	2500	Financial liabilities at fair value through profit or loss - non-current (Note 6(2) and (15))	2,040	-	-	-
1600	Property, plant and equipment (Notes 6(9) and 8)	1,479,812	20	1,451,789	23	2540	Long-term loans (Note 6(14) and 8)	2,420,159	33	2,815,199	43
1755	Right-of-use assets (Note 6(10))	36,766	1	11,751	-	2569	Current tax liabilities-non-current (Note 6(18))-	6,889	-	26,484	-
1760	Investment property, net (note 6 (11))	74,653	1	31,290	-	2530	Bonds payable (Note 6(2) and (15))	277,061	4	-	-
1780	Intangible assets	13,463	-	13,928	-	2570	Deferred income tax liabilities (Note 6(18))	11,513	-	-	-
1840	Deferred income tax assets (Note 6(18))	17,548	-	44,421	1	2580	Lease liabilities - non-current (Note 6(16))	28,599	-	4,602	-
1915	Advance payment for equipment	10,638	-	14,603	-	2645	Guarantee deposits received	-	-	180	-
1900	Other non-current assets	26,079	-	20,843	-		Total non-current liabilities	<u>2,746,261</u>	<u>37</u>	<u>2,846,465</u>	<u>43</u>
	Total non-current assets	<u>4,567,272</u>	<u>62</u>	<u>3,929,980</u>	<u>59</u>		Total liabilities	<u>4,567,599</u>	<u>62</u>	<u>4,400,101</u>	<u>66</u>
							Equity (Note 6(15) and (19)):				
						3110	Ordinary shares	1,778,389	24	1,738,389	26
						3200	Capital surplus	111,098	1	13,030	-
						3300	Retained earnings	933,806	13	605,012	9
						3400	Other components of equity	(872)	-	(92,700)	(1)
						3500	Treasury shares	-	-	(9,950)	-
							Total equity attributable to owners of the parent company	<u>2,822,421</u>	<u>38</u>	<u>2,253,781</u>	<u>34</u>
							Total equity	<u>2,822,421</u>	<u>38</u>	<u>2,253,781</u>	<u>34</u>
							Total liabilities and equity	<u>\$ 7,390,020</u>	<u>100</u>	<u>\$ 6,653,882</u>	<u>100</u>
	Total Assets	<u>\$ 7,390,020</u>	<u>100</u>	<u>6,653,882</u>	<u>100</u>						

Ching Feng Home Fashions Co., Ltd.
Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the years ended December 31,			
		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(22) and 7)	\$ 4,474,057	100	4,117,074	100
5000	Operating costs (Notes 6(5), (17), (20) and 7)	3,902,839	87	3,643,141	88
	Gross profit	571,218	13	473,933	12
5910	Less: Unrealized profit or loss on sales	(39,333)	(1)	(22,963)	(1)
5920	Add: Realized profit or loss on sales	22,963	-	27,828	1
	Gross profit	554,848	12	478,798	12
	Operating expenses (Notes 6(17), (20) and 7):				
6100	Selling and marketing expenses	102,877	3	67,599	2
6200	General and administrative expenses	188,019	4	153,086	4
6300	Research and development expenses	57,359	1	52,953	1
6450	Expected credit losses (gains) (Note 6(3) and (25))	(24,919)	(1)	22,938	1
	Total operating expenses	323,336	7	296,576	8
	Operating income	231,512	5	182,222	4
	Non-operating income and expenses (Notes 6(15), (24) and 7):				
7100	Interest income	23,522	1	9,289	-
7110	Other income	2,622	-	1,298	-
7020	Other gains and losses	75,424	2	12,030	-
7050	Financing costs	(91,980)	(2)	(89,232)	(2)
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method, net	224,733	4	22,654	1
	Total non-operating income and expenses	234,321	5	(43,961)	(1)
	Net income before tax	465,833	10	138,261	3
7951	Less: Income tax expenses (Note 6(18))	50,370	1	34,257	-
	Net income	415,463	9	104,004	3
8300	Other comprehensive income :				
8360	Items that may subsequently be reclassified to profit or loss				
8361	Exchange differences on translation of foreign operating institutions	99,100	2	(36,620)	(1)
8399	Less: Income tax related to items that may be reclassified subsequently (Note 6(18))	22,957	-	(7,324)	-
	Total items that may subsequently be reclassified to profit or loss	76,143	2	(29,296)	(1)
8300	Total other comprehensive income (loss)	76,143	2	(29,296)	(1)
	Total comprehensive income (loss)	\$ 491,606	11	74,708	2
	Earnings per share (Note 6(21))				
9750	Basic earnings per share (Unit: NT\$)	\$ 2.39		0.60	
9850	Diluted earnings per share (Unit: NT\$)	\$ 2.37		0.60	

Ching Feng Home Fashions Co., Ltd.
Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan dollars)

	Retained earnings					Other equity	Treasury shares	Total Equity
	Ordinary Shares	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations		
Balance as of January 1, 2023	\$ 1,696,233	13,030	72,622	184,067	396,080	(63,404)	(19,930)	2,278,698
Appropriations of earnings :								
Legal reserve	-	-	22,059	-	(22,059)	-	-	-
Reversal of special reserve	-	-	-	(120,663)	120,663	-	-	-
Cash dividends	-	-	-	-	(109,605)	-	-	(109,605)
Stock dividends	42,156	-	-	-	(42,156)	-	-	-
Transfer of treasury shares	-	-	-	-	-	-	9,980	9,980
Net income of the period	-	-	-	-	104,004	-	-	104,004
Total other comprehensive income (loss) of the period	-	-	-	-	-	(29,296)	-	(29,296)
Total comprehensive income (loss) of the period	-	-	-	-	104,004	(29,296)	-	74,708
Balance as of December 31, 2023	1,738,389	13,030	94,681	63,404	446,927	(92,700)	(9,950)	2,253,781
Appropriations of earnings :								
Legal reserve	-	-	10,400	-	(10,400)	-	-	-
Special reserve	-	-	-	29,296	(29,296)	-	-	-
Cash dividends	-	-	-	-	(86,669)	-	-	(86,669)
Net income of the period	-	-	-	-	415,463	-	-	415,463
Other comprehensive income (loss) of the period	-	-	-	-	-	76,143	-	76,143
Total comprehensive income (loss) of the period	-	-	-	-	415,463	76,143	-	491,606
Issue of shares	40,000	67,200	-	-	-	-	-	107,200
Equity Component of Convertible Bonds – Share Options	-	21,661	-	-	-	-	-	21,661
Transfer of treasury shares	-	5,820	-	-	-	-	9,950	15,770
Liquidation of subsidiaries	-	-	-	-	-	15,685	-	15,685
Share-based payments	-	3,387	-	-	-	-	-	3,387
Balance as of December 31, 2024	\$ 1,778,389	111,098	105,081	92,700	736,025	(872)	-	2,822,421

Ching Feng Home Fashions Co., Ltd.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan dollars)

	For the years ended December 31,	
	2024	2023
Cash flows from operating activities :		
Net income before tax	\$ 465,833	138,261
Adjustments :		
Adjustments to reconcile profit (loss)		
Depreciation expense	96,847	92,540
Amortization expense	3,323	3,094
Expected credit (gains) losses	(24,919)	22,938
Net losses on financial assets at fair value through profit or loss	9,301	351
Interest expense	91,980	89,232
Interest income	(23,522)	(9,289)
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for using equity method	(224,733)	(22,654)
Loss (gain) on disposal of property, plant and equipment, net	150	666
Loss (gain) on disposal of investments accounted for using equity method	-	(95)
Unrealized loss (gain) from sales changes	15,059	(146)
Share-based payments	9,207	-
Lease modification gains	-	(24)
Others	15,685	-
Total adjustments to reconcile profit (loss)	(31,622)	176,613
Changes in assets and liabilities related to operating activities :		
Changes in assets related to operating activities :		
Notes receivable	(204)	600
Accounts receivable	(37,675)	18,154
Accounts receivable - related parties	(233,102)	778,200
Other receivables	180,817	(123,785)
Other receivables - related parties	59,933	(115,456)
Inventories	(58,529)	28,761
Prepayments	1,911	2,371
Other current assets	(43,536)	(99,901)
Total net changes in assets related to operating activities	(130,385)	488,944
Changes in liabilities related to operating activities :		
Notes and Accounts payable	(82,247)	(5,464)
Notes and Accounts payable - related parties	(53,708)	30,508
Other payables	156,966	70,527
Other payables - related parties	(21)	(3,594)
Other current liabilities	(131)	2,239
Total net changes in liabilities related to operating activities	20,859	94,216
Total net changes in assets and liabilities related to operating activities	(109,526)	583,160

Ching Feng Home Fashions Co., Ltd.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2024	2023
Total adjustment	(141,148)	759,773
Cash inflow generated from operations	324,685	898,034
Interest charged	19,953	9,289
Dividends received	269	-
Interest paid	(86,649)	(85,633)
Income taxes paid	(109,080)	(56,077)
Net cash flows from operating activities	149,178	765,613
Cash flows from investing activities :		
Acquisition of financial assets at fair value through profit or loss	(289,627)	(17,404)
Disposal of financial assets at fair value through profit or loss	21,862	6,198
Financial liabilities at fair value through profit or loss	(4,263)	(3,907)
Acquisition of investments accounted for using equity method	-	(108,477)
Disposal of investment accounted for using equity method	16,195	2,400
Acquisition of property, plant and equipment	(134,954)	(15,780)
Proceeds from disposal of property, plant and equipment	166	1,192
Other receivables - related parties decreased (increased)	28,209	(12,021)
Acquisition of intangible assets	(2,858)	(1,200)
Acquisition of investment properties	(22,099)	(31,304)
Other financial assets - current decreased (increased)	36,583	(66,894)
Other non-current assets decrease (increased)	4,895	(992)
Advance payment for equipment decreased (increased)	3,965	(693)
Net cash flows used in investing activities	(341,926)	(248,882)
Cash flows from financing activities :		
Short-term loans	820,000	372,321
Repayment of short-term loans	(610,000)	(699,913)
Increase in short-term notes and bills payable	140,012	219,846
Decrease in short-term notes and bills payable	(110,000)	(60,000)
Proceeds from issuing bonds	298,222	-
Long-term loans	95,000	-
Repayment of long-term loans	(525,580)	(280,092)
Payments of lease liabilities	(10,360)	(9,619)
Other financial liabilities increased	85,000	-
Guarantee deposits (decreased) increased	(180)	180
Cash dividends paid	(86,669)	(109,605)
Proceeds from issuing shares	107,200	-
Exercise of employee share options	9,950	9,980
Net cash flows from (used in) financing activities	212,595	(556,902)
Net increase (decrease) in cash and cash equivalents	19,847	(40,171)
Cash and equivalent cash, beginning balance	382,634	422,805
Cash and equivalent cash, ending balance	\$ 402,481	382,634

Distribution of Earnings, 2024

Unit: NT\$1.00

Sources	
Retained earnings at the beginning of the year	320,561,719
Add: Net profit after tax for the year	415,462,338
Add: Reversal of special reserve	91,828,162
Earnings available for distribution	827,852,219
Appropriation	
Less: Legal reserve(10%)	41,546,234
Cumulative distributable earnings by the end of 2024	786,305,985
Distribution	
Less: Cash dividends paid to shareholders (NT\$1.8/share)	320,110,067
Retained earnings on December 31, 2024	466,195,918

Note 1:

The company plans to allocate NT\$320,110,067 from the distributable earnings. Cash dividends will be paid up to NT\$1.00. According to the shareholders and their holdings recorded in the shareholder register on the distribution date, there are a total of 177,838,926 shares. NT\$1.8 per share will be distributed.

Comparison Table of Revisions to the “Articles of Incorporation”

Existing Provisions	Amended Articles	Explanation
<p>20.</p> <p>If there is any profit, a minimum of 2% shall be allocated to pay to the employees of the company and its subsidiaries, and no more than 3% to directors. However, losses of prior year(s) shall be offset first if there is any.</p> <p>Such payment to employees of the company and its subsidiaries who meet certain requirements may be either in the form of shares or in cash, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds or more of the Directors.</p> <p>The above mentioned profit refers to the profit before tax of the accounting year before the payment to employees, directors is allocated.</p>	<p>20.</p> <p>If there is any profit, a minimum of 2% shall be allocated to pay to the employees of the company and its subsidiaries, and no more than 3% to directors. However, losses of prior year(s) shall be offset first if there is any.</p> <p><u>At least forty percent (40%) of the total amount of employee remuneration specified in the preceding paragraph shall be allocated to basic-level employees.</u> Such payment to employees of the company and its subsidiaries who meet certain requirements may be either in the form of shares or in cash, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds or more of the Directors.</p> <p>The above mentioned profit refers to the profit before tax of the accounting year before the payment to employees, directors is allocated.</p>	<p>Revised in accordance with laws and actual operations</p>
<p>22.</p> <p>These Articles of Incorporation was established on January 28, 1977</p> <p>The 1st revision was made on Feb. 26, 1977.</p> <p>The 2nd revision was made on Dec. 15, 1980.</p> <p>The 3rd revision was made on Oct. 21, 1982.</p> <p>The 4th revision was made on Nov. 12, 1982.</p> <p>The 5th revision was made on May 14, 1983.</p> <p>The 6th revision was made on Feb. 25, 1984.</p> <p>The 7th revision was made on Sept. 11, 1987.</p> <p>The 8th revision was made on Nov. 6, 1988.</p> <p>The 9th revision was made on Nov. 27, 1988.</p> <p>The 10th revision was made on Aug. 20, 1989.</p> <p>The 11th revision was made on Dec. 10, 1989.</p> <p>The 12th revision was made on Mar. 16, 1991.</p> <p>The 13th revision was made on Apr. 30, 1991.</p> <p>The 14th revision was made on Sept. 2, 1991.</p> <p>The 15th revision was made on Sept. 4, 1992.</p> <p>The 16th revision was made on June 1, 1993.</p> <p>The 17th revision was made on Mar. 25, 1994.</p> <p>The 18th revision was made on Aug. 25, 1994.</p> <p>The 19th revision was made on Apr. 21, 1995.</p>	<p>22.</p> <p>These Articles of Incorporation was established on January 28, 1977.</p> <p>The 1st revision was made on Feb. 26, 1977.</p> <p>The 2nd revision was made on Dec. 15, 1980.</p> <p>The 3rd revision was made on Oct. 21, 1982.</p> <p>The 4th revision was made on Nov. 12, 1982.</p> <p>The 5th revision was made on May 14, 1983.</p> <p>The 6th revision was made on Feb. 25, 1984.</p> <p>The 7th revision was made on Sept. 11, 1987.</p> <p>The 8th revision was made on Nov. 6, 1988.</p> <p>The 9th revision was made on Nov. 27, 1988.</p> <p>The 10th revision was made on Aug. 20, 1989.</p> <p>The 11th revision was made on Dec. 10, 1989.</p> <p>The 12th revision was made on Mar. 16, 1991.</p> <p>The 13th revision was made on Apr. 30, 1991.</p> <p>The 14th revision was made on Sept. 2, 1991.</p> <p>The 15th revision was made on Sept. 4, 1992.</p> <p>The 16th revision was made on June 1, 1993.</p> <p>The 17th revision was made on Mar. 25, 1994.</p> <p>The 18th revision was made on Aug. 25, 1994.</p> <p>The 19th revision was made on Apr. 21, 1995.</p>	<p>Inclusion of revision date</p>

Existing Provisions	Amended Articles	Explanation
<p>The 20th revision was made on July 19, 1995.</p> <p>The 21st revision was made on June 30, 1997.</p> <p>The 22nd revision was made on June 24, 1998.</p> <p>The 23rd revision was made on June 2, 1999.</p> <p>The 24th revision was made on June 13, 2000.</p> <p>The 25th revision was made on June 22, 2001.</p> <p>The 26th revision was made on May 29, 2002.</p> <p>The 27th revision was made on Dec. 30, 2002.</p> <p>The 28th revision was made on June 10, 2003.</p> <p>The 29th revision was made on June 10, 2003.</p> <p>The 30th revision was made on Sept. 22, 2003.</p> <p>The 31st revision was made on Apr. 28, 2005.</p> <p>The 32nd revision was made on May 26, 2006.</p> <p>The 33rd revision was made on June 15, 2007.</p> <p>The 34th revision was made on June 13, 2008.</p> <p>The 35th revision was made on June 19, 2009.</p> <p>The 36th revision was made on June 25, 2010.</p> <p>The 37th revision was made on Apr. 27, 2012.</p> <p>The 38th revision was made on June 24, 2013.</p> <p>The 39th revision was made on June 12, 2014.</p> <p>The 40th revision was made on June 17, 2015.</p> <p>The 41st revision was made on June 29, 2016.</p> <p>The 42nd revision was made on May 24, 2018.</p> <p>The 43rd revision was made on June 28, 2019.</p> <p>The 44th revision was made on June 30, 2020.</p> <p>The 45th revision was made on June 27, 2022.</p> <p>The 46th revision was made on May 24, 2023.</p>	<p>The 20th revision was made on July 19, 1995.</p> <p>The 21st revision was made on June 30, 1997.</p> <p>The 22nd revision was made on June 24, 1998.</p> <p>The 23rd revision was made on June 2, 1999.</p> <p>The 24th revision was made on June 13, 2000.</p> <p>The 25th revision was made on June 22, 2001.</p> <p>The 26th revision was made on May 29, 2002.</p> <p>The 27th revision was made on Dec. 30, 2002.</p> <p>The 28th revision was made on June 10, 2003.</p> <p>The 29th revision was made on June 10, 2003.</p> <p>The 30th revision was made on Sept. 22, 2003.</p> <p>The 31st revision was made on Apr. 28, 2005.</p> <p>The 32nd revision was made on May 26, 2006.</p> <p>The 33rd revision was made on June 15, 2007.</p> <p>The 34th revision was made on June 13, 2008.</p> <p>The 35th revision was made on June 19, 2009.</p> <p>The 36th revision was made on June 25, 2010.</p> <p>The 37th revision was made on Apr. 27, 2012.</p> <p>The 38th revision was made on June 24, 2013.</p> <p>The 39th revision was made on June 12, 2014.</p> <p>The 40th revision was made on June 17, 2015.</p> <p>The 41st revision was made on June 29, 2016.</p> <p>The 42nd revision was made on May 24, 2018.</p> <p>The 43rd revision was made on June 28, 2019.</p> <p>The 44th revision was made on June 30, 2020.</p> <p>The 45th revision was made on June 27, 2022.</p> <p>The 46th revision was made on May 24, 2023.</p> <p><u>The 47th revision was made on May 21, 2025.</u></p>	

慶豐富實業股份有限公司公司章程
ARTICLES OF INCORPORATION
 Ching Feng Home Fashions Co., Ltd.

CHAPTER 1 GENERAL ARTICLES

1. The Company is organized in accordance with the regulations as outlined in the Company Law and is named "Ching Feng Home Fashions Co., Ltd." <慶豐富實業股份有限公司> .
2. The purposes for that the Company is formed are:
 - 1) C307010 Apparel, clothing accessories and other textile product manufacturing
 - 2) C399990 Other textile products manufacturing
 - 3) C501040 Reconstituted wood manufacturing
 - 4) C501070 Bamboo and cane products manufacturing
 - 5) C501990 Other wood products manufacturing
 - 6) C805010 Plastic sheets, pipes and tubes manufacturing
 - 7) C805030 Plastic made grocery manufacturing
 - 8) C805990 Other plastic products manufacturing
 - 9) CH01040 Toys manufacturing
 - 10) CI01010 Rope, cable and net manufacturing
 - 11) CN01010 Furniture and fixtures manufacturing
 - 12) F401010 International trade
 - 13) F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile product
 - 14) F105050 Wholesale of furniture, bedclothes, kitchen equipment and fixtures
 - 15) F204110 Retail of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile product
 - 16) F205040 Retail of furniture, bedclothes, kitchen equipment and fixtures
 - 17) CC01060 Wired communication equipment and apparatus manufacturing
 - 18) F113070 Wholesale of telecom instruments
 - 19) CC01080 Electronic parts and components manufacturing
 - 20) F119010 Wholesale of electronic materials
 - 21) F601010 To engage in business relating to intellectual property
 - 22) I501010 To engage in business relating to product designing
 - 23) ZZ99999 Exclusive of those require a permit. Business not restricted or limited by law.
 - 24) J101030 Waste Disposing
 - 25) J101040 Waste treatment
 - 26) J101080 Waste Recycling
 - 27) F199010 Wholesale of Recycling Materials
 - 28) CC01040 Lighting Facilities Manufacturing
 - 29) F113020 Wholesale of Household Appliance
 - 30) F401021 Import of Restrained Telecom Radio Frequency Devices and Materials
 - 31) E801010 Interior decoration
- 2-1 The Company may re-invest in other business, and is not subject to Article 13 of the Company Law that states the investment shall not exceed 40% of the paid-in capital.
- 2-2 The Company may provide a guarantee to others when necessary.
3. The head office of the Company is located in Changhua County, Taiwan, and the Company may establish branch offices in or out of the country with the resolution by the Board of Directors.

CHAPTER 2 SHARES

5. The total registered capital is New Taiwan Dollars 3 billion only (NT\$3,000,000,000), that is divided into 300,000,000 shares of NT\$10 each, and may be issued in separate parts.

Among the total registered capital, NT\$30,000,000 shall be reserved for employees' acquisition of warrants, divided into 3,000,000 shares with NT\$10 each, to be issued in separate parts with the resolution by the Board of Directors.

The issuance of stock shall be handled in accordance with regulations of the authorities concerned. Taiwan Securities Central Depository Co. Ltd. may ask the Company to change outstanding shares into ones in larger face value.

- 5-1. The company can buy back treasury shares at a price lower than the actual average price of the shares, and transfer them to employees, but a resolution must be made at the shareholders' meeting in accordance with relevant laws and regulations.
- 5-2. Treasury shares, stock warrants, new share purchasing, and new shares with restricted rights may be also granted to employees of subsidiaries or an entity that the company has control over it.
6. The stock certificates of the company are all in registered form, signed or stamped and numbered by the director representing the company. The shares of the company are issued with the approval by the competent authority or any issuing authority approved by the competent authority. The company may issue shares without a physical stock certificate. However, shareholders should contact the centralized securities depository for registration.
7. The transfer of stock shall not be made sixty(60) days prior to the shareholders' general meeting, thirteen(30) days prior to the shareholders' special meeting, or five(5) days prior to the base date of dividends, bonus or other interest distribution.
8. The issuance of stock shall be handled in accordance with regulations of the authorities concerned.

CHAPTER 3 SHAREHOLDERS' MEETINGS

9. There are two types of shareholders' meetings. A general meeting shall be held at least once a year within six months after the closing of the accounting year. A special meeting shall be called from time to time when necessary.
10. Shareholders' meetings called by the Board of Directors shall be handled in accordance with Item 3 of Article 208 of the Company Law. Shareholders' meetings called by those who are entitled to, the person who calls the meeting shall be the chairperson of that meeting. When the meeting is called by more than two persons, one of the persons shall be appointed as the chairperson. When the chairperson is against the rule and dismisses the meeting, one of the shareholders may be elected the chairperson by more than half of the shareholders present in order to continue the meeting.
11. All shareholders are entitled to one vote for each share they own.
The minutes of the meeting of shareholders shall be drawn up, signed or sealed, by the Chairperson, and sent to each shareholder within twenty(20) days after the meeting. Minutes to shareholders may be effected by publication.

- 11-1 If the shareholder is not able to be present in the shareholders' meeting, his or her proxy with the Power of Attorney printed by the Company, stamped with the same seal of the shareholder as kept in the Company, and with detail authorization, may be present. Except trust company and certified agency of stocks, when one proxy represents more than two shareholders, and the voting right that he or she represents exceeds 3% of the total shares issued, then the voting right that exceeds 3% of the total shares issued shall be disregarded. The Power of Attorney shall be delivered to the Company five(5) days before the meeting. The one that comes first shall prevail when there are repetitions, but those to cancel the power of attorney are not subject to the rule.
12. Unless otherwise specified, the quorum necessary for shareholders' meeting shall be no less than half of the shareholders representing total shares issued. Resolutions shall be passed by a majority of votes.

CHAPTER 4 DIRECTORS AND SUPERVISORS

13. There are five(5)-seven(7) directors in the Company, elected by the shareholders among those who have the executive capability for a term of three years, and may also stand for reelection.

The stock ownership of directors of the company must meet the requirements of "Rules and Review Procedures for Director Share Ownership Ratios at Public Companies" issued by the competent authority.

- 13-1. 1) The number of independent directors shall not be less than 3 and shall not be less than 1/5 of the total number of directors.
2) The election of independent directors are held together with that of non-independent directors with the number of elected persons to be calculated separately.
14. The directors constitute the Board of Directors, and two of them shall be chosen or elected the chairman and vice chairman respectively with more than 2/3 of directors present. The resolution shall be passed by a majority of votes. The chairman represents the Company.
15. Regular Board meetings shall be held every three(3) months. Special meetings may also be called whenever necessary. Unless otherwise specified, Board Meetings shall be called by the Chairman, and unless otherwise specified, the quorum necessary for a Board meeting shall be no less than half of the directors present, and resolutions shall be passed by a majority of votes. Written notice of all board meetings shall be mailed to each director not less than seven(7) days before the meeting date by mail, fax or e-mail. Emergency board meetings may be convened any time.
- If the director is not able to be present in the meeting, he/she may ask any other director of the Company to be his/her proxy. When a video conference is held, those directors who participate the video conference shall be considered present personally.
16. In the absence of the Chairman or when the Chairman is not able to exercise his/her right, his/her proxy shall be handled in accordance with Article 208 of the Company Law.
17. The compensation for directors will be determined at the Shareholders' Meeting. They shall be compensated at the usual level of the industry no matter if the Company is making a profit.
- 17-1. The Company shall purchase directors and officers (D&O) liability insurance for the directors to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties.

CHAPTER 5 MANAGERS

18. The Company has a number of managers. Their appointment, discharge and compensation shall be handled in accordance with Article 29 of the Company Law. Their compensation shall be handled in accordance with personnel rules and regulations of the company.

CHAPTER 6 ACCOUNTING

19. After the closing of the accounting year, the Board of Directors should prepare the following statements to be submitted to the shareholders' meeting for approval: 1) Annual Report, 2) Financial statements, 3) The proposal for allocation of profit or making up losses.
20. If there is any profit, a minimum of 2% shall be allocated to pay to the employees of the company and its subsidiaries, and no more than 3% to directors. However, losses of prior year(s) shall be offset first if there is any.

Such payment to employees of the company and its subsidiaries who meet certain requirements may be either in the form of shares or in cash, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds or more of the Directors.

The above mentioned profit refers to the profit before tax of the accounting year before the payment to employees, directors is allocated.

- 20-1. If there is any earning after the closing of the accounting year, it should first make up for the losses. If there is still earnings after 10% of the legal and the special reserve stipulated by the law are set aside, the balance, together with the accumulated undistributed earnings at the beginning of the period and the adjusted amount of undistributed earnings for the current year, will be the surplus available for distribution. However, depending on the business situation, a part of the earnings should be retained. Then the Board of Directors prepares a proposal for profit distribution. When the profit distribution is to issue new shares, the distribution shall be submitted to the shareholders' meeting for resolution. When the company distributes dividends and bonuses or all or part of the legal surplus and capital surplus in the form of cash, it authorizes the Board of Directors with more than two-thirds of the directors present and more than half of the directors present agree and report the shareholders' meeting.

The Company is in a traditional industry in its "Growing Stage". In consideration of future capital requirements and secure of interests and rights of shareholders, for profit appropriation, the Company adopts the policy of partial cash dividends and partial share dividends with cash dividends not less than 20% of the total dividends depending on the debt ratio, quick ratio and cash flow of the company. The Board of Directors shall submit a proposal for such appropriation for approval at the shareholders' meeting.

CHAPTER 7 APPENDIXES

21. The items not mentioned in Articles of Company shall be handled in accordance with the Company Law and other relevant regulations.

22. This Articles of Incorporation was concluded on Jan. 28, 1977.
The 1st revision was made on Feb. 26, 1977.
The 2nd revision was made on Dec. 15, 1980.
The 3rd revision was made on Oct. 21, 1982.
The 4th revision was made on Nov. 12, 1982.
The 5th revision was made on May 14, 1983.
The 6th revision was made on Feb. 25, 1984.
The 7th revision was made on Sept. 11, 1987.
The 8th revision was made on Nov. 6, 1988.
The 9th revision was made on Nov. 27, 1988.
The 10th revision was made on Aug. 20, 1989.
The 11th revision was made on Dec. 10, 1989.
The 12th revision was made on March 16, 1991.
The 13th revision was made on April 30, 1991.
The 14th revision was made on Sept. 2, 1991.
The 15th revision was made on Sept. 4, 1992.
The 16th revision was made on June 1, 1993.
The 17th revision was made on March 25, 1994.
The 18th revision was made on Aug. 25, 1994.
The 19th revision was made on April 21, 1995.
The 20th revision was made on July 19, 1995.
The 21st revision was made on June 30, 1997.
The 22nd revision was made on June 24, 1998.
The 23rd revision was made on June 2, 1999.
The 24th revision was made on June 13, 2000.
The 25th revision was made on June 22, 2001.
The 26th revision was made on May 29, 2002.
The 27th revision was made on Nov. 12, 2002.
The 28th revision was made on June 10, 2003.
The 29th revision was made on June 10, 2003.
The 30th revision was made on Sept. 22, 2003.
The 31st revision was made on April 28, 2005.
The 32nd revision was made on May 26, 2006.
The 33rd revision was made on June 15, 2007.
The 34th revision was made on June 13, 2008.
The 35th revision was made on June 19, 2009.
The 36th revision was made on June 25, 2010.
The 37th revision was made on April 27, 2012.
The 38th revision was made on June 24, 2013.
The 39th revision was made on June 12, 2014.
The 40th revision was made on June 17, 2015.
The 41st revision was made on June 29, 2016.
The 42nd revision was made on May 24, 2018.
The 43rd revision was made on June 28, 2019.
The 44th revision was made on June 30, 2020.
The 45th revision was made on June 27, 2022.
The 46th revision was made on May 24, 2023.

CHING FENG HOME FASHIONS CO., LTD.

Hsu, Ming-Hsuan /Chairman (with seal)

Ching Feng Home Fashions Co., Ltd.
Corporate Governance Best Practice Principles

Chapter I General Principles**Article 1**

The Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) hereby jointly adopt these Principles, to be followed by the Company, to assist it in establishing sound corporate governance systems and promote sound development of the securities market.

The Company is advised to formulate their own corporate governance principles and establish an effective corporate governance framework with reference to these Principles and disclose them through the Market Observation Post System (MOPS).

Article 2

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, the Company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of independent directors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

Article 3

The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee shall also attend to and supervise these matters. Directors and the audit committee shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors. The Company is advised to establish channels and mechanisms of communication between their independent directors, audit committees, and chief internal auditors, and the convener of the audit committee shall report the communications between members of the audit committees, independent directors and chief internal auditors at the shareholders' meeting.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

Article 3-1

(Personnel responsible for corporate governance affairs)

The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEX a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws
2. Producing minutes of board meetings and shareholders meetings
3. Assisting in onboarding and continuous development of directors and independent directors
4. Furnishing information required for business execution by directors and independent directors
5. Assisting directors and independent directors with legal compliance
6. Reporting to the board of directors the results of examination as to whether the qualifications of independent directors at the time of their nomination and election and during their term of office conform to applicable laws and regulations
7. Handling matters related to director changes
8. Other matters set out in the articles of incorporation or contracts

Chapter II Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4

The corporate governance system of the Company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

Article 5

The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations and articles of incorporation.

Article 6

The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors, independent directors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, advisably with videoconferencing available and sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

Article 7

The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis.

The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

Article 8

The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors and independent directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors or independent directors.

The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.

Article 9

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10

The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.

To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the company's financial reports or relevant

results. Measures include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

Article 10-1

It is advisable that the Company report at a general shareholder meeting the remuneration received by directors, including the remuneration policy, individual remuneration package and amount, and association with outcomes of performance reviews.

Article 11

The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company.

The board of directors, audit committee, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any circumvention, obstruction or rejection.

Article 12

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, but information disclosure and the soundness of the company's financial structure thereafter.

When the management or a major shareholder of the Company is involved in a merger or acquisition, a legal opinion by independent lawyer should be issued to review if members of the audit committee to review the merger and acquisition in the preceding paragraph have met the regulations of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, to ensure they are not a related party to a counterparty of the merger and acquisition transaction or do not have such interest that would influence their independence, whether the design and implementation of the relevant procedure meet the applicable laws, and if a full disclosure has been made in accordance with the applicable laws.

Qualifications of the lawyer in the preceding paragraph shall meet the requirements in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and the lawyer should not be a related party to a counterparty of the merger and acquisition transaction or should not have such interest that would influence their independence.

The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Article 13

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors, independent directors or managers in performing their duties.

It is advisable that the Company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13-1

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

The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2

(Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 3 Corporate Governance Relationships Between the Company and Related Parties

Article 14

The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15

Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises.

A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17

When the Company and its related parties and shareholders enter into financial or business dealings or transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be

definitively stipulated when contracts are signed, and non-arm's length transactions and improper channeling of interests shall be prohibited.

The content of the written agreement mentioned in the preceding paragraph shall include regulatory procedures governing transactions such as purchase and sale of goods, acquisition and disposal of assets, loans of funds, and provision of endorsements and guarantee etc. Relevant material transactions shall be approved by a resolution of the board of directors and approved or reported to the shareholders' meeting.

Article 18

A corporate shareholder having controlling power over the Company shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or an independent director.
3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or independent directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director or an independent director shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19

The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual shareholding stake that may control the company.

Chapter III Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20

The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

Basic requirements and values: Gender, age, nationality, and culture; it is advisable that the number of female directors account for at least one-third of all the directors.

Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Article 21

The Company shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22

The Company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23

(The board of directors of the Company shall draw clear distinctions of the authorities and responsibilities of the functional committees, chairperson of the board and general manager)

Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.

It is inappropriate for the chairperson to also act as the general manager or an equivalent post.

The Company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24

(The Company shall appoint independent directors in accordance with its articles of incorporation)

The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and advisably not less than one-third of the total number of directors. It is advisable that an independent director serve for not more than three consecutive terms.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director or managerial officer as a candidate for an independent director of the other, the TWSE/TPEX listed company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the TWSE/TPEX listed company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 25

The Company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director or an independent director.

4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 26

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Functional Committees

Article 27

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of independent director's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28

The Company has established an audit committee.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

Article 28-1

The Company shall establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 28-2

(Establish a nomination committee)

The Company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson.

Article 28-3

(A whistleblowing system)

The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

Article 29

To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

The Company shall, based on Audit Quality Indicators (AQIs) as reference, evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30

It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the independent directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors, independent directors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31

The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and independent director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.

The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and independent director within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35

The Company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal audit officer.
9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.
10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36

The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.

The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37

(Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator)

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

The Company has formulated rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

1. The degree of participation in the company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

It is advisable that the Company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal control.

The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 37-1

It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 37-2

(Establishment of an intellectual property regulatory system)

The board of directors is advised to evaluate and monitor the following aspects of a TWSE/TPEX company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.
5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

Article 38

If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee or an independent director member of the audit committee in accordance with the foregoing paragraph.

Article 39

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 40

Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Independent Directors of TWSE/TPEX Listed Companies, which cover subjects relating to corporate governance upon becoming directors or independent directors, and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter IV Empowering Independent Directors

Section 1 Functions of Independent Directors

Article 41

The Company shall stipulate a fair, just, and open procedure for the election of independent directors, and shall adopt a cumulative voting mechanism pursuant to the Company Act to fully reflect the opinions of the shareholders.

In accordance with the Company's Articles of Incorporation, three independent directors shall be appointed. The aggregate shareholding percentage of all of the independent directors of the Company shall comply with laws and regulations. Restrictions on share transfers by each independent director and the creation, release, or changes in pledges of shares held by each independent director shall comply with the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 42

(Specification in the articles of incorporation the adoption of the candidate nomination system for elections of independent directors)

The Company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of independent directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 43

Unless otherwise approved by the competent authority, at least one independent director seat shall have no spousal relationship or familial relationship within the second degree of kinship with another independent director or a director.

The Company is advised to refer to the provisions on independence provided in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and appoint a suitable independent director to enhance the risk management and financial and operational control of the company.

An independent director will preferably be domiciled within the territory of the ROC to allow timely performance of supervisory functions.

Section 2 Powers and Obligations of Independent Directors

Article 44

An independent director shall be familiar with the relevant laws and regulations, and shall understand the rights, obligations, and duties of directors of the company and the functions, duties, and operation of each department. An independent director shall attend meetings of the board of directors to supervise their operations and to state his/her opinions when appropriate so as to grasp or discover any abnormal situation early on.

The Company shall stipulate the independent director's remuneration in its articles of incorporation or by an approval in a shareholders meeting.

Article 45

An independent director shall supervise the implementation of the operations of the company, and the performance of duties by directors and managers, and care the enforcement of the internal control system so as to reduce the financial and operational risks of the company.

Where a director, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act with the company, an independent director shall act as the representative of the company.

Article 46

An independent director may investigate the operational and financial conditions of the company from time to time, and the relevant departments in the company shall provide the books or documents that will be needed for the independent director's review, transcription or duplication.

When reviewing the finance or operations of the company, an independent director may retain attorneys or CPAs on behalf of the company to perform the review; however, the company shall inform the relevant persons of their confidentiality obligations.

The board of directors or managers shall submit reports in accordance with the request of the independent directors and shall not for any reason circumvent, obstruct, or refuse the inspection of the independent director.

When an independent director performs his/her duties, the Company shall provide necessary assistance as needed by the independent director, and the reasonable expenses that the independent director needs shall be borne by the company.

Article 47

For independent directors to timely discover any possible irregular conduct in the company, the Company shall establish a channel for independent directors to communicate with the employees, shareholders, and stakeholders.

Upon discovering any irregular conduct, an independent director shall take appropriate measures timely to curb the expansion of the irregular conduct, and file a report to the relevant regulatory authorities or agencies if necessary.

When an independent director or general manager, an officer of the finance, accounting, research and development, or internal audit department, or a CPA resigns or is removed from his/her position, the independent directors shall investigate the reasons.

In the event that an independent director neglects his/her duties and therefore causes harm to the company, the independent director shall be liable to the company.

Article 48

When exercising his/her supervisory power, each independent director of the Company may, after taking into consideration the overall interest of the company and shareholders, convene a meeting to exchange opinions among all the independent directors when he or she feels necessary, but in so doing may not obstruct independent directors in exercising their duties.

Article 49

The Company shall take out independent directors liability insurance with respect to liabilities resulting from the exercise of duties during their terms, so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoing or negligence of an independent director.

The Company is advised to report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for independent directors, at the next board meeting.

Article 50

Upon becoming independent directors and throughout their terms, independent directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors of TWSE/TPEx Listed Companies covering subjects relating to corporate governance.

Chapter V Respecting Stakeholders' Rights

Article 51

(The Company shall maintain communication with stakeholders and safeguard their rights and interests)

The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

Article 52

The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 53

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors, or independent directors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 54

In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter VI Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 55

Disclosure of information is a major responsibility of a TWSE/TPEX listed company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEX rules.

The Company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 56

In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The Company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 57

In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance.

To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 58

The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.

Section 2 Disclosure of Information on Corporate Governance

Article 59

The Company shall dedicate a space on its website to disclose and update from time to time the following information regarding corporate governance:

1. Board of directors: such as resumes and authorities and responsibilities of board members, board member diversification policy and the implementation thereof.
2. Functional committees: such as resumes and authorities and responsibilities of members of each functional committee.
3. Corporate governance bylaws: such as articles of incorporation, procedure of board of directors meetings, charter of each functional committee, and other relevant corporate governance bylaws.
4. Important corporate governance information: such as information of establishment of corporate governance executive officers.

Chapter VII Supplementary Provisions

Article 60

The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 61

The Corporate Governance Best Practice Principles shall be implemented upon approval by the Board of Directors and shall be submitted to each independent director and reported to the shareholders' meeting. The same procedure shall apply to any amendments.

These Principles were approved by the Board of Directors on December 10, 2014.

These Principles were amended on June 28, 2019.

These Principles were amended on June 27, 2022.

These Principles were amended on May 9, 2024.

Ching Feng Home Fashions Co., Ltd.
Ethical Corporate Management Best Practice Principles

Article 1 Purpose and scope of application

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

In accordance with Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, the Company adopt its own ethical corporate management best practice principles applicable to its business groups and organizations of such TWSE/TPEX listed company, which comprise its subsidiaries, any foundation to which the TWSE/TPEX listed 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.

Article 2 Prohibition of unethical conduct

When engaging in commercial activities, personnel of the Company 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, appointees or substantial controllers or other stakeholders.

Article 3 Forms of benefits

"Benefits" in these Principles means any valuable things, including money, endowments, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs shall be excluded.

Article 4 Regulatory compliance

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

Article 5 Policies

The Company shall abide by 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 Prevention programs

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, 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 Scope of prevention programs

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 established prevention programs shall at least include preventive 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 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 directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 Commitment and implementation

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 its subsidiaries 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 Ethical management of commercial activities

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 Company may at any time terminate or rescind the contracts.

Article 10 Prohibition of bribery and accepting bribes

Directors, independent directors, 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 Prohibition of providing illegal political donations

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company's directors, independent directors, 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 Prohibition of improper charitable donations or sponsorship

When making or offering donations and sponsorship, the Company's directors, independent directors, 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 Prohibition of unreasonable presents or hospitality, or other improper benefits

The Company's directors, independent directors, 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 Prohibition of intellectual property rights infringement

The Company's directors, independent directors, 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 Prohibition of engaging in unfair competitive practices

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 16 Prevention of harm to stakeholders from products or services

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, independent directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, their products and services. They shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in their operations, with a view to preventing their products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.

Article 17 Organization and responsibility

The directors, independent directors, 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 Company shall establish a dedicated unit that is under the board of directors and avail itself of adequate resources and staff itself with competent personnel, responsible for 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. 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 Regulatory compliance in conducting business

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

Article 19 Conflict of interest prevention for directors and managers

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, independent directors, 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, independent directors, managers, and other stakeholders attending or present at board meetings of 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 Companies' directors, independent directors, 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 possibly 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 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 Operational procedures and guidelines

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, independent directors, 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 Training and performance appraisal

The chairperson, general manager, or senior management of 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, independent directors, 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 Report and disciplinary

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. 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 in written form.

Article 24 Disciplinary and appeal system

The Company 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 Information disclosure

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 Improvement of ethical corporate management best practice Principles

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, independent directors, 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 Implementation

The ethical corporate management best practice principles of each company shall be implemented after the board of directors grants the approval, and shall be sent to the independent directors 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 Company has established an audit committee, the provisions regarding independent directors in these Principles shall apply mutatis mutandis to the audit committee.

The Principles was established on November 12, 2014.

The Principles was amended on May 9, 2024.

Ching Feng Home Fashions Co., Ltd.
Procedures for Ethical Management and Guidelines for Conduct

Article 1 (Purpose of adoption and scope of application)

This Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

The subsidiaries of this Corporation and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Corporation, shall uphold the spirit of these Procedures and Guidelines and establish their own Procedures for ethical management and Guidelines for conduct respectively.

Article 2 (Applicable subjects)

For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, independent director, managerial officer, employee, mandatary or person having substantial control, of this Corporation.

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

Article 3 (Unethical conduct)

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of this Corporation, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 (Types of benefits)

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5 (Responsible unit and duties)

This Corporation shall designate the Ethical Management Promotion Team as the solely responsible unit (hereinafter, "responsible unit") under the board of directors and provide it with sufficient resources and competent personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the board of directors:

1. Assisting in incorporating ethics and moral values into this Corporation'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. 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 (Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of this Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for the Company and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.

3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, approximate number of participants, class of accommodations, and the time period for the event or visit have been specified in advance, and are handled in accordance with the Company's procedures.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Other conduct that complies with the rules of this Corporation.

Article 7 (Procedures for handling the acceptance of improper benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of this Corporation are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit.

"A relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding this Corporation's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of this Corporation shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented and recorded after being reported to the department supervisor for approval, while also informing the company's responsible unit of the situation.

Article 8 (Prohibition of and handling procedure for facilitating payments)

This Corporation shall neither provide nor promise any facilitating payment.

If any personnel of this Corporation provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor and department supervisor stating the facts and shall coordinate with the relevant units for investigation and handling.

In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 (Procedures for handling political contributions)

Political contributions by this Corporation shall be made in accordance with the relevant internal procedures after being reported to and approved by the board of directors:

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 (Procedures for handling charitable donations or sponsorships)

Charitable donations or sponsorships by this Corporation shall be provided in accordance with the following provisions:

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 registered with the local government, and must comply with tax laws and regulations. They must 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 (Recusal)

When a director, independent directors, officer or other stakeholder of this Corporation 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, independent directors, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of this Corporation 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.

If in the course of conducting company business, any personnel of this Corporation discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.

Article 12 (Special unit in charge of confidentiality regime and its responsibilities)

This Corporation has set up a personal data security management system, including the Marketing Planning Office, which is charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of this Corporation's trade secrets, trademarks, patents, works, and other intellectual properties. It shall also conduct reviews of the implementation results to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of this Corporation 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 (Prohibition against unfair competition)

This Corporation shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14 (Prevention of damage caused by products and services to stakeholders)

This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all

guidelines to cause personnel of this Corporation to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

This Corporation shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports, or sufficient facts to determine, that this Corporation's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, this Corporation shall immediately recall those products or suspend the services, verify the facts and present a review and improvement plan.

The responsible unit of this Corporation shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 15 (Prohibition against insider trading and non-disclosure agreement)

All personnel of this Corporation shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of this Corporation that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.

Article 16 (Compliance and announcement of policy of ethical management)

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.

This Corporation shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 (Ethical management evaluation prior to development of commercial relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, this Corporation shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in 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 involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 (Statement of ethical management policy to counterparties in commercial dealings)

Any personnel of this Corporation, when engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including kickbacks, commissions, facilitation payments, or any other means of providing or receiving improper benefits.

Article 19 (Avoidance of commercial dealings with unethical operators)

All personnel of this Corporation shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel may immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement this Corporation's ethical management policy.

Article 20 (Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, this Corporation shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of this Corporation part of the terms and conditions of the contract, stipulating at the least the following matters:

- 1.When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, a claim for compensation may be included, and may also deduct the full amount of the damages from the contract price payable.

2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 (Handling of unethical conduct by personnel of this Corporation)

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, this Corporation will grant an appropriate reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

This Corporation 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 insiders and outsiders of this Corporation to submit reports. A whistleblower shall at least furnish the following information:

1. the whistleblower's name and I.D. number (whistleblowing reports may be submitted anonymously), 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.

Personnel of this Corporation 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 whistleblowing.

The responsible unit of this Corporation shall observe the following procedure in handling whistleblowing matters:

1. An information shall be reported to the department head if involving the rank and file and to an independent director if involving a director or a senior executive.
2. The responsible unit of this Corporation and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or this Corporation's policy and regulations of ethical management, this Corporation shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, this Corporation will report to the competent authority, refer said person to judicial authority for investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.

5. With respect to a confirmed information, this Corporation shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.

6. The responsible unit of this Corporation shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 22 (Actions upon event of unethical conduct by others towards this Corporation)

If any personnel of this Corporation discovers that another party has engaged in unethical conduct towards this Corporation, and such unethical conduct involves alleged illegality, this Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, this Corporation shall additionally notify the governmental anti-corruption agency.

Article 23

(Internal awareness sessions and establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

This Corporation shall organize or encourage its personnel to participate in internal and external training programs related to ethical management to fully communicate the importance of integrity.

This Corporation shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of this Corporation seriously violates ethical conduct, this Corporation shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of this Corporation.

This Corporation shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 (Enforcement)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each independent director and reported to the shareholders meeting.

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.

These Procedures for Ethical Management and Guidelines for Conduct were established on March 27, 2017. These Procedures for Ethical Management and Guidelines for Conduct were revised on May 9, 2024.

Ching Feng Home Fashions Co., Ltd. Codes of Ethical Conduct

1. Purpose of and basis for adoption

These Guidelines are adopted for the purpose of encouraging directors, independent directors, and managerial officers of the Company to act in line with ethical standards, and to help interested parties better understand the ethical standards of such companies.

2. Scope of the code

These codes of ethical conduct apply to the Company's directors, independent directors, and managerial officers (including general managers, assistant general managers, deputy assistant general managers, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of a company).

3. Codes of ethical conduct to be followed

(1) Prevention of conflicts of interest:

Directors, independent directors, and managerial officers should avoid any situations that may create a conflict between personal interests and the interests of the company. A conflict of interest arises when a director or managerial officer is unable to handle company affairs objectively and efficiently or when they, their spouse, or relatives within the second degree of kinship obtain improper benefits due to their position in the company. Directors and managerial officers must prioritize the company's best interests and must not seek personal gain. If a potential conflict of interest arises, they must promptly and truthfully report it to the board of directors in writing.

To prevent improper benefit transfers, the company strictly prohibits providing loans or guarantees to directors, independent directors, managerial officers, or their affiliated enterprises.

(2) Minimizing incentives to pursue personal gain:

Directors, independent directors, and managerial officers have an obligation to safeguard the legitimate interests of the company. No personnel may use company assets, information, or their position for personal gain. Without the approval of the shareholders' meeting, directors shall not engage in any business activities that compete with the company. Additionally, managerial officers must obtain approval from the board of directors before engaging in such activities.

(3) Confidentiality:

Unless authorized or required by law to disclose, directors, independent directors, and managerial officers shall not use any information obtained through their position regarding the company, its suppliers, or its customers for personal gain or for the benefit of any related parties.

(4) Fair trade:

The Company shall not seek profit through any improper means. Directors, independent directors, managerial officers, and employees must exercise restraint and sound judgment to avoid accepting gifts, hospitality, or other forms of compensation from individuals or organizations that have business dealings with the Company, as well as from the Company's competitors. All individuals must comply with legal regulations and uphold the highest ethical standards of the Company, treating suppliers, customers, competitors, and employees fairly. No personnel shall obtain improper benefits through any unethical means.

(5) Safeguarding and proper use of company assets:

Directors, independent directors, managerial officers, and employees have a responsibility to protect the company's assets. Unless approved by the company's management, they shall not use or misappropriate company assets for personal purposes. Additionally, they must take measures to prevent waste or theft of company assets, which could impact the company's profitability.

(6) Legal compliance:

Directors, managerial officers, and employees must comply with all laws and regulations governing the Company. The Company has a legal department responsible for providing legal consultation and guidance. Any individual with legal-related concerns may directly contact this department.

(7) Encouraging reporting on illegal or unethical activities:

The company shall raise awareness of ethics internally and encourage employees to report to a company independent director, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system, allow anonymous reporting, and make employees aware that the company will use its best efforts to ensure the safety of whistleblowers and protect them from reprisals.

(8) Disciplinary measures:

Directors, independent directors, managerial officers, and employees must be familiar with and adhere to these ethical conduct guidelines. Any director, managerial officer, or employee who violates these codes will be subject to disciplinary action, including possible dismissal, and may also face legal consequences. Additionally, the Company will promptly disclose information regarding the violator, including their title, name, date of violation, reason for violation, breached guidelines, and the actions taken, on the MOPS.

4. Procedures for exemption

Under special circumstances, the Board of Directors may grant exemptions from the application of these ethical conduct guidelines to directors, independent directors, or managerial officers. The Company will promptly disclose relevant information on the MOPS, including the title and name of the exempted individual, the date of board approval, the duration of the exemption, the reason for the exemption, and the applicable guidelines being exempted. This disclosure ensures that shareholders can evaluate the appropriateness of the board's decision.

5. Method of disclosure

The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, in its annual reports, prospectuses and on the MOPS.

6. Enforcement

These codes of ethical conduct shall take effect after having been submitted to and approved by the board of directors, delivered to each independent director, and submitted to a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

These codes were established on November 12, 2014.

These codes were amended on May 9, 2024.

RULES OF PROCEDURE FOR SHAREHOLDER MEETINGS

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

Unless otherwise provided by law or regulation, the Company's shareholder meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, to upload the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental loads of 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, and they should be distributed at the shareholders' meeting.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, 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, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders' meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. 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.

A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Article 3

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

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

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

Article 4

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

Article 5

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") 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. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

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.

In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

- 1) How shareholders attend the virtual meeting and exercise their rights.
- 2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
 - (4) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.
- 3) To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

Article 6

If a shareholders' meeting is convened by the board of directors, the meeting shall be presided by the Chairman of the board. When the Chairman of the board is on leave or for any reason unable to exercise the powers of the chairperson, the Chairman shall appoint one of the directors to act as the chairperson. Where the Chairman does not make such a designation, the directors shall select from among themselves to serve as the chairperson.

When a director serves as chairperson, as referred to in the preceding paragraph, the 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 apply for a representative of a legal entity director that serves as chairperson.

It is advisable that shareholders' meetings convened by the board of directors shall be presided by the Chairman of the board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the minutes.

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

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

Article 7

Documentation of a shareholders' meeting by audio or video

The Company, 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 one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 8

Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one 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 chairperson shall declare the meeting adjourned. In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

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 one month. In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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

Article 9

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). 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 chairperson 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 chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson 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 chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 10

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 chairperson.

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.

When a shareholder speaks, other shareholders are not allowed to interfere with the speech unless they have obtained the consent of the chairperson and the speaking shareholder, and the chairperson should stop those who violate.

Except with the consent of the chairperson, 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 chairperson may terminate the speech.

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 chairperson may respond in person or direct relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairperson declaring the meeting open until the chairperson declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 11

Calculation of voting shares and recusal system

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

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three 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 12

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company 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 the Company 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 the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

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

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson 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.

When there is an amendment or an alternative to a proposal, the chairperson 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 chairperson, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders' meeting, after the chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairperson announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 13

The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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

Article 14

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chairperson's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online

Article 15

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Article 16

Maintaining order in the meeting.

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

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

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

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

Article 17

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson 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 five days in accordance with Article 182 of the Company Act.

Article 18

Disclosure of information at virtual meetings

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chairperson has announced the meeting adjourned.

Article 19

Location of the chairperson and secretary of virtual-only shareholders' meeting

When the Company convenes a virtual-only shareholders' meeting, both the chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.

Article 20 Handling of disconnection

In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

Article 21 Handling of digital divide

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

Article 22

These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

The first revision was made on May 24, 2018.

The second revision was made on July 23, 2021.

The third revision was made on June 27, 2023.

DIRECTORS' SHAREHOLDINGS

1. The paid-in capital of the company is NT\$1,778,389,260, and the number of issued shares is 177,838,926 shares.
2. In accordance with Article 26 of the Securities and Exchange Act, all directors shall hold a minimum of 10,670,335 shares.
3. The number of shares held by individual directors and all directors in the shareholder register as of the closing date of the shareholders meeting is listed in the table below.

Shareholdings of individual and all directors recorded in the register of shareholders as of the closing date of the 2025 shareholders meeting (March 23, 2025)

Title	Number of Shares to Be Held	Number of Shares Registered in shareholder Register
Directors	10,670,435	22,993,885

DIRECTORS' SHAREHOLDING AS OF MARCH 23, 2025

Title	Name	Number of Shares Held
Chairman	Hsu, Ming-Hsuan	8,997,439
Director	Hsu, Chun-Jan	6,548,500
Director	Jichen Investment Co., Ltd. Representative: Yang, Jen-Kai	3,362,844
Director	Lee Bang Shing Investment Co. Representative: Chen, Chun-Chung	4,085,102
Independent Director	Yang, Wendy	--
Independent Director	Kuo, Ping-Chen	--
Independent Director	Kuan, Hsu-Chiang	--