

Cosmo Electronics Corporation

2022 Annual Shareholders' Meeting

Meeting Handbook

MEETING TIME: June 24, 2022

Notice to readers

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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Cosmo Electronics Corporation
Procedure for the 2022 Annual Meeting of Shareholders

- I. Total shares represented by shareholders present in person
- II. Call the Meeting to Order
- III. Chairperson Remarks
- IV. Management Presentations
- V. Proposals
- VI. Discussion
- VII. Extempore Motions
- VIII. Adjournment

Cosmo Electronics Corporation
2022 Annual Shareholders' Meeting
Meeting Agenda

Means of Meeting Convention: Physical shareholders meeting

Time of Meeting: June 24, 2022 at 9:00 am

Location of Meeting: Far East Century Plaza Phase II Management Committee (located at
Conference Room B2, No. 726, Zhongzheng Road, Zhonghe District, New
Taipei City 235, Taiwan)

I.Chairperson Remarks

II.Management Presentations

- (1) 2021 business report.
- (2) Audit Committee's review report on the 2021 Financial Statements.
- (3) The report of 2021 employees' profit sharing bonus and directors' remuneration.
- (4) The report of the Board of Directors' remuneration.

III. Proposals

- (1) Adoption of the 2021 Business Report and Financial Statements
- (2) Adoption of the proposal for distribution of 2021 surplus earnings.

IV.Discussion

- (1) New common share issuance through the increase of capital by capitalization of capital reserve.
- (2) Amendment to the Articles of Incorporation.
- (3) Amendment to the Management of Endorsement and Guarantees.
- (4) Amendment to the Operational Procedures for Acquisition and Disposal of Assets.
- (5) Amendment to the Rules of Procedure for Shareholders' Meeting.

V. Extempore Motions

VI.Adjournment

Management Presentations

1. 2021 Business Report

Explanation: The 2021 Business Report is as Attachment 1. [page11-14].

2.Audit Committee’s Review Report on the 2021 Financial Statements

Explanation: Audit Committee’s Review Report is as Attachment 2. [page15].

3.Distribution of Employees’ profit sharing bonus and directors’ remuneration

Explanation: The 2021 profit is NT\$127,566,618. The 5% of the profit shall be allocated for the employees’ bonus which is NT6,378,332 and 1% of that will be for the Board of Directors’ remuneration which is NT1,275,666, those were paid in cash.

4.The report of the Board of Directors’ remuneration

Explanation:

1. The remuneration policies, standard and structure which paid to the directors, independent directors are based on the responsibilities, risks and time devotion which are:

- (1) Remuneration policies, standard and packages:

- A. The independent directors of the Company receive fixed compensation and no other compensation.

- B. Directors who are involved in the Company’s business affairs are paid monthly in accordance with the Company’s salary plan, regardless of profit or loss.

- C. The compensation of directors and supervisors is appropriated according to the business performance of the Company in the year and the stipulated percentage in Article 19 of the Articles of Incorporation, which stipulate that: “From the profit earned by the Company as shown through the annual account closing, not more than 3% of the gross profit shall be taken for directors’ and supervisors’ compensation, provided that the amount of accumulated loss, if any, be first withheld.”

- (2) Procedures for setting compensation:

- A. Compensation for President and Vice President consists of salary and bonus. Salary is paid with reference to industry standards, title, rank, education, professional ability and responsibilities, and is based on the scope of authority and responsibility of the position within the Company and its contribution to the Company’s operating objectives and performance. The bonus is based on the performance evaluation items

of managerial personnel, which include financial indicators (such as the achievement rate of the Company's revenue, profit before tax and profit after tax) and non-financial indicators (such as the preservation and management of assets, quality control of production, and significant deficiencies in compliance with laws and regulations and operational risks of the departments under the management).

B. The compensation of directors, supervisors and managers shall be evaluated and set by the Compensation Committee of the Company on a regular basis and approved by the Board of Directors, in addition to the provisions of the Company's Articles of Incorporation.

(3) Correlation of operating performance and future risks:

A. The bonus and compensation of directors, supervisors, and managers take into account the Company's operating objectives and financial condition, as well as their professional competence and responsibilities.

B. Important decisions by the Company's management are made after weighing various risk factors. The performance of these important decisions is reflected in the Company's profitability, which in turn is related to the management's compensation, i.e., the compensation of the Company's directors, supervisors and managers is related to the performance of future risk management.

C. In order to regularly evaluate the managerial personnel's bonus based on his or her participation in the Company's operations and personal performance contributions, and in accordance with the Company's "Regulations Governing the Year-End Bonus and Operating Performance Bonus", the "Regulations Governing the Year-End Bonus and Operating Performance Bonus" will be reviewed from time to time in accordance with the actual operating conditions and relevant laws and regulations, including financial indicators (such as the achievement rate of the Company's revenue, profit before tax and profit after tax) and non-financial indicators (such as asset preservation and management, product quality control, and significant deficiencies in compliance with laws and regulations and operational risks of the departments under the supervision of the Company) in order to provide reasonable compensation.

2. Remuneration paid during the most recent fiscal year to directors

Title	Name	Compensation								Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Relevant Compensation Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)				Compensation from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)								
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		All companies in the consolidated financial statements		The company		All companies in the consolidated financial statements		
																Cash	Stock	Cash	Stock					
Chairperson	TSAI, NAI-CHENG	0	0	0	0	213	213	0	0	213	0.39%	213	0.39%	0	0	0	0	0	0	213	0.39%	213	0.39%	0
Director & President	DIGICROWN TECHNOLOGIES LTD. (Representative: Chao Chia-chi) (Note 2)	0	0	0	0	213	213	0	0	213	0.39%	213	0.39%	2,689	2,689	87	87	0	0	2,989	5.44%	2,989	5.44%	0
Director & Chief Financial Officer	DIGICROWN TECHNOLOGIES LTD. (Representative: Hung Yu-han) (Note 2)	0	0	0	0	213	213	0	0	213	0.39%	213	0.39%	1,699	1,699	66	66	0	0	1,978	3.60%	1,978	3.60%	0
Director	DIGICROWN TECHNOLOGIES LTD. (Representative: Ho Wei-chan) (Note 2)	0	0	0	0	213	213	0	0	213	0.39%	213	0.39%	0	0	0	0	0	0	213	0.39%	213	0.39%	0
Director & Deputy GM	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Liu Chin-mu)(Note 2、3)	0	0	0	0	212	212	0	0	212	0.39%	212	0.39%	841	841	33	33	0	0	1,086	1.98%	1,086	1.98%	0
Director & Deputy GM & Corporate Governance Officer	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account (Representative: Lee Chih-chin)(Note 2、3)	0	0	0	0	212	212	0	0	212	0.39%	212	0.39%	1,662	1,662	66	66	0	0	1,940	3.53%	1,940	3.53%	0
Independent director	Wu Yong-fu (Note 2)	600	600	0	0	0	0	0	0	600	1.09%	600	1.09%	0	0	0	0	0	0	600	1.09%	600	1.09%	0
Independent director	Xu Bo-yu (Note 2)	480	480	0	0	0	0	0	0	480	0.87%	480	0.87%	0	0	0	0	0	0	480	0.87%	480	0.87%	0
Independent director	Lee Tan (Note 2)	117	117	0	0	0	0	0	0	117	0.21%	117	0.21%	0	0	0	0	0	0	117	0.21%	117	0.21%	0

Description:

Note 1: The compensation to directors and supervisors and the compensation to employees for the year 2021 have been approved by the board of directors on March 29, 2022, and the amount of \$1,275,666 has been appropriated as compensation to directors and supervisors for the year.

Note 2: Assigned on July 20, 2021.

Note 3 Re-election on July 20, 2021, he was the representative of DIGICROWN TECHNOLOGIES LTD.

Proposals

■ Proposal No.1

Adoption of the 2021 Annual Business Report and Financial Statement (Proposed by the Board of Directors)

Explanation:

1. The Board has adopted the Proposal for 2021 Annual Business Report, 2021 Parent Company only Financial Statements, and 2021 Consolidated Financial Statements. The 2021 Parent Company only Financial Statements and 2021 Consolidated Financial Statements have been viewed by the accountants Ms. Tsai, I-tai and Ms. Liang, Chan-nu, and together with 2021 Annual Business Report have sent and reviewed by the Audit Committee.
2. The 2021 Annual Business Report is attached as pp. [11-14], Attachment 1, the 2021 Parent Company only Financial Statements and Report of Independent Accountants, and the 2021 Consolidated Financial Statements and Report of Independent Accountants are attached as pp. [16-43], Attachment 3 & 4. Submission for acknowledge.

Resolution:

■ Proposal No.2

Adoption of the proposal for distribution of 2021 surplus earnings (Proposed by the Board of Directors)

Explanation:

1. The Board has adopted the Proposal for Distribution of 2021 Profits and has sent and reviewed by the Audit Committee.
2. 2021 net profit after tax is NT\$ 54,938,866 plus other comprehensive income and appropriation of statutory surplus reserve, the undistributed surplus is NT\$ 50,540,451. Deduction on Shareholders' Equity by December 31, 2021: Gains and loss on the exchange differences resulting from translating the financial statements in foreign operations was

NT\$52,749,708 in accordance with Regulation No. 1090150022 which states that with the current year of the net income after tax and the retained earnings in previous period, the corresponding amount of the special surplus reserve should be allocated, if the current year of the net income after tax and the retained earnings in previous period is insufficient to allocate, only the retained earnings should be allocated till the calculation turns out to zero.

3. The 2021 Earnings Distribution Table is attached as pp. [44], Attachment 5. Submission for acknowledge.

Resolution:

Discussion

■ **Discussion No.1**

New common share issuance through the increase of capital by capitalization of capital reserve (Proposed by the Board of Directors)

Explanation:

1. To enhance the scale of capital and strengthen financial structure, the Company plans to appropriate NT\$64,649,350 from the capital reserve acquired from the amount derived from the issuance of new shares at a premium. The new common share issued is 6,464,935 shares with the par value NT\$10, the dividend distribution is NT\$0.4 per share based on the shareholding ratio of shareholders listed on Shareholders' Rosters on the base day. If fractional shares are issued, shareholders may register with agent for stock affairs for consolidation of them within 5 days of ex-rights date. If not consolidated or still short of 1 share after consolidation, a cash payment will be made in accordance with Article 240 of the Company Law. It will be calculated to 1 N.T. dollar (less will be discarded). The chairman of the board is authorized to negotiate with specific parties for them to purchase such shares at par value.
2. Upon approval by the shareholders meeting and competent authorities, the Board of Directors is authorized to set base dates for issuing new shares and other relevant matters.
3. If share capital changes after appropriation of dividend affect the number of outstanding shares and thus causing changes in the dividend rate, it is proposed that the Board of Directors shall be fully authorized by the shareholders meeting to handle the matter in accordance with relevant rules and regulations.
4. The new shares shall have the same rights and obligations of the original shares.

Resolutions:

■ **Discussion No.2**

Amendment to the Company's "Articles of Incorporation" (Proposed by the Board of Directors)

Explanation:

1. To revise the part of terms of Articles of Corporation in accordance with the Article 172-2, paragraph 1.
2. Comparison Table is attached as pp. [45], Attachment 6 for discussion.

Resolutions:

■ **Discussion No.3**

Amendments to the Guideline for Endorsement and Guaranty (Proposed by the Board of Directors)

Explanation:

1. To modify the guidelines to meet the operational needs.
2. The Company and its subsidiaries may make endorsements/guarantees for each other and the amount may not exceed 50% of the net worth of the Company, the necessity and reason explain below: the subsidiaries located abroad operate independently, its operation and internal control are supervised by the Company, due to operational needs the limitation for endorsing and guaranteeing with each other may not exceed 50% of the net worth does not apply anymore and needs to be modified.
3. Comparison Table is attached as pp. [46], Attachment 7 for discussion.

Resolutions:

■ **Discussion No. 4**

**Amendment to the Operational Procedures for Acquisition and Disposal of Assets.
(Proposed by the Board of Directors)**

Explanation :

1. The revision is in accordance with the official letter# 1110380465 issued by the Financial Supervisory Commission.
2. Comparison Table is attached as pp. [47-50], Attachment 8 for discussion.

Resolutions :

■ **Discussion No. 5**

Amendment to the Rules of Procedures for Shareholders' Meeting (Proposed by the Board of Directors)

Explanation :

1. The revision is in accordance with the official letter# 111000425 issued by the TWSE.
2. Comparison Table is attached as pp. [51-73] Attachment 9 for discussion.

Resolutions :

Extempore Motions

Adjournment

Attachment 1

2021 Annul Business Report

1. Business Policy

(1) Optoelectronics Department

As a specialist manufacturer of optocouplers and relays, we are able to react and make decisions quickly in response to market dynamics. Our main target markets are those with large users and a wide range of channels, but lacking product design capabilities, where we can provide complete product specifications, or design and production services to address the specific needs of our customers. Going forward, we will capitalize on our core technology to develop new products in line with the trend of lighter, thinner, shorter and smaller products, and continue to improve the quality of our products to ensure our dominant position. In view of the cost, the government's New Southbound Policy and the Company's operational strategy, we have established new production bases in Southern China and Indonesia to strengthen local marketing and services, and carry out product restructuring with the aim of increasing the proportion of sales of high-margin products, as well as introducing new equipment to enter into the manufacture of high-end products and improve production efficiency, increase production yields and boost profitability.

The South China production site had already had its post-production line completed for mass production in Q1 2021.

(2) LED Lighting

In recent years, the price-performance ratio of LED lighting has improved and its penetration rate in the total lighting market is gradually on the rise. While the market economy has been affected by the trade dispute between the US and China, the Company's two bases in Southern China and Indonesia have allowed us to adjust our production capacity in order to secure the best tariff concessions and to keep up with our customers' orders and mitigate the impact of the trade dispute. In the US market, we have also taken measures to protect our patent and enhance our competitiveness in an effort to increase the market share of our products.

(3) Clean Steam Department

Driven by the global development of bioenergy, energy security and autonomy, and the reduction of CO2 emissions, we will sustain research and development of highly efficient, low-cost and long-life energy sources to jointly cut carbon emissions and global pollution. The Clean Steam Department is expected to bring advantages and niches to the growth of the industry.

(4) Industrial Park Development

The investment environment in China has changed as a result of the New Southbound Policy promoted by the Taiwanese government and the Investment Act promulgated by the Indonesian government, as well as the impact of the US-China trade dispute. Indonesia's demographic dividend, the removal of a number of barriers to foreign investment under the new Act and tax incentives have all added to its investment attractiveness.

By accelerating the diversification of business operations to increase the profitability of the Group/shareholders, the Company has decided to invest in the development and construction of industrial parks, and at the same time, to help various Taiwanese SMEs to quickly gain a foothold in the Indonesian market, and to jointly polish up the image of the Taiwanese industry and create visibility worldwide.

The Group since 2008 has been proactive in looking for suitable plots of land for industrial development and has acquired approximately 200 hectares of land and obtained ground breaking permits in 2021, and will continue to search for desirable lots in the vicinity of the development area.

(5) Smart Street Lighting

The cities in Taiwan have been gradually getting more and more intelligent and systematic. With the government's vigorous promotion, the combination of lighting and security management systems aims to achieve the goal of supporting urban governance, reinforcing system effectiveness, improving residents' lives and maintaining environmental sustainability. The construction of smart streetlights in the female dormitory area of Asia University was completed in 2021 and serves as a demonstration for the public. The benefits of the project have started to be seen in 2022, and we will continue to work on it in order to secure cooperation projects in the future.

2. Important production and marketing policies:

(1) Marketing strategy:

- A. Strengthening services and sales networks through the regional integration of a network of distributors and agents.
- B. By participating in international expositions and brand/product advertising and marketing campaigns, we are able to reach out to the market and expand business opportunities, while raising the visibility of new products and keeping abreast of market demand.
- C. The addition of production bases in South China and Indonesia allows us to adjust our production capacity to gain the best tariff preferences while meeting customer orders, reducing the impact of the trade war and strengthening our local marketing and services.
- D. Increase in OEM customers and expansion of automotive electronics products to increase in sales ratio.

(2) Production strategy:

- A. Executing effective production management to continuously enhance product quality, improve production yields and strengthen product reliability.
- B. Mastering key product technologies, increasing automation rates, shortening production cycles, raising production line capacity, and seeking to reduce costs and boost company profitability.
- C. Cultivating the specialist knowledge and competence of our staff to satisfy the service and quality needs of our customers with a positive and efficient service attitude and to foster customer loyalty.

(3) Product orientation:

- A. Developing new product specifications for existing product lines, increasing the added value of our products in response to the development of technologies, and making continued efforts to reduce costs in an attempt to boost the competitiveness and market share of our products.
- B. Strengthening the development mechanism of customized OEM products by applying current technologies to the technical specifications of products that are in high demand and satisfy customers' needs.
- C. Investing in new categories of products with strong technological linkages, actively pursuing R&D and innovation to enrich the Company's overall product portfolio, increase sales and enhance brand awareness.
- D. The introduction of new equipment to enter into high-end product manufacturing and improve production efficiency, increase production yields and boost profitability.

3. Business Report

Results of business plan implementation

The Company's net operating revenues for fiscal 2021 were \$1,341,81 thousand, operating costs were \$1,108,883 thousand, operating expenses were \$232,204 thousand, non-operating net income was \$65,666 thousand, and income tax benefit was \$11,452 thousand. After offsetting income and expenses, the net income for the period was \$54,939 thousand, an increase of \$48,571 thousand compared to the net income of \$6,368 thousand in fiscal 2020, mainly due to an increase in revenue and gross profit.

4. Budget implementation

For fiscal 2021, operating revenues reached 95% of the estimated goal, and the estimated performance of each accounting item is as follows:

Unit: NT\$ thousands

Item	Actual amount in FY2021	Estimated amount for FY2021	Achievement rate (%)
Operating revenues	1,341,812	1,407,036	95%
Operating costs	1,108,883	1,153,770	96%
Operating expenses	232,204	196,985	118%
Net operating gain	725	56,281	1%
Net non-operating revenues and expenses	65,666	11,881	553%
Net income after tax	54,939	81,795	67%

5. Analysis of financial income and expenses and profitability

Unit: NT\$ thousands

Item		Actual amount in FY2021	Actual amount in FY2020	
Financial income and expenses	Operating loss	725	(86,828)	
	Net non-operating income and expenses	65,666	92,172	
	Profit before tax	66,391	5,344	
	Profit after tax	54,939	6,368	
Profitability	Return on assets (%)		2.09	0.96
	Return on equity (%)		3.32	0.38
	Ratio to capital stock (%)	Operating (loss) income	0.04	(5.55)
		Profit before tax	4.11	0.34
	Profit margin (%)		4.09	0.51
	Earnings per share (NT\$)		0.35	0.04

Chairman: TSAI, NAI-CHENG / General Manager: Chao Chia-chi / Accounting Supervisor: Hung Yu-han

Attachment 2

Audit Committee's review report of 2021.

Audit Committee's Review Report of Cosmo Electronics Corporation.

The Board of Directors has prepared the Cosmo Electronics Corporation. (“the Company”) 2021 Business Report, financial statements, and proposal for earnings distribution. The CPA firm of PwC was retained to audit the Company’s financial statements and has issued an audit report relating to financial statements. The above Business Report, financial statements, and earnings distribution proposal have been examined and determined to be correct and accurate by the Audit Committee of Cosmo Electronics Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Cosmo Electronics Corporation 2022 Shareholders’ Meeting

Audit Committee Convener : Wu Yong-fu

March 29,2022

Attachment 3

Independent Auditors' Report Translated from Chinese

To the Board of Directors and Shareholders of Cosmo Electronics Corporation

Opinion

We have audited the accompanying parent company only financial statements of Cosmo Electronics Corporation (the 'Company'), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), 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, 2021 and 2020, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2021, are outlined as follows:

Valuation of inventory

Description

Please refer to Note 4(11) for the description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(4) for details of inventory.

The Company has a higher risk of inventory market value decline since technology evolution affecting the market value and the possibility of inputs for obsolete products. Inventory are stated at the lower of cost or net realizable value. Providing valuation loss for obsolete inventories bases on net realizable value.

As the evaluation of inventory requires critical judgement and the amount of inventory is significant, we consider the valuation of inventory a key audit matter.

How our audit addressed the matter:

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

1. Obtained the policies of inventory valuation and determined whether the policies have been applied consistently.
2. Inspected and performed annual physical count to evaluate whether management identifies and controls obsolete inventories effectively.
3. Validated whether the logic of inventory aging reports used for valuation has been applied adequately in order to ensure the information of the parent

company only financial statement would be align with policies.

4. Evaluated and calculated to supporting documents of inventory losses providing from aging over a certain period, and discussed with management the accuracy.
5. Sampled the sources of market value for recalculation of net realization value.

Assessment the fair value of investment property

Description

Please refer to Note 4(15) for the description of accounting policy on investment property. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to investment property. Please refer to Note 6(8) for details of investment property.

The Company held investment property to earn rentals from rental. The investment property was measured subsequently using the fair value model. The fair value was based on appraisal report issued by external valuers.

As the evaluation of the fair value requires future prediction and the assumptions are unobservable inputs and highly uncertainty as well as the amount of valuation is significant, we consider the valuation of investment property a key audit matter.

How our audit addressed the matter:

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

1. Evaluated whether valuers and appraisal firms were engaged by the Company were qualified and independent.
2. Reviewed the appraisal report issued by the valuer and checked valuation approach to comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. For the investment property evaluated by the income approach, evaluated the valuer's rationality of the future cash flow of the Company, and compared the rent used in the valuation approach with the lease agreement signed at present.
4. For the investment property evaluated by land development analysis method, examined the prices of various comparison targets used, and compared them with

the prices of similar assets available from public information.

5. Evaluated the correctness of the model calculation, and confirmed that the recognized amount is consistent with the appraisal report.

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 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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence

the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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, 2021 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.

Tsai, Yi Tai

Liang, Chan Nyu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 29, 2022

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

For the convenience of readers and for information purpose only, the auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two version, the Chinese-language auditors' report and parent company only financial statements shall prevail.

COSMO ELECTRONICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEET
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets			December 31,2021		December 31,2020			
			Amount	%	Amount	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	106,658	3	\$	223,450	6
1170	Accounts receivable, net	6(3)		81,294	3		92,136	3
1180	Accounts receivable from related parties, net	7(2)		47,153	1		1,088	-
1200	Other receivables			2,353	-		2,250	-
1210	Other receivables from related parties	7(2)		-	-		73	-
1220	Current income tax assets			9	-		9	-
130X	Inventories	6(4)		187,856	6		190,750	6
1410	Prepayments			5,047	-		2,137	-
1470	Other current assets			1,495	-		1,011	-
11XX	Total current assets			431,865	13		512,904	15
Non-current assets								
1535	Financial assets at amortized cost-non current	6(2)		13,484	-		3,678	-
1550	Investments accounted for under the equity method	6(5)		2,344,181	69		2,429,094	73
1600	Property, plant and equipment	6(6)		465,566	14		290,378	9
1755	Right-of-use assets	6(7)		-	-		2,309	-
1760	Investment property, net	6(8)		85,347	2		27,840	1
1780	Intangible assets	6(9)		3,931	-		4,411	-
1840	Deferred income tax assets	6(25)		5,965	-		48,049	1
1915	Prepayments for equipment			32,569	1		5,458	-
1920	Refundable deposits			3,553	-		2,024	-
1975	Net defined benefit assets-non current	6(14)		18,395	1		17,178	1
1990	Other non-current assets			-	-		1,920	-
15XX	Total non-current assets			2,972,991	87		2,832,339	85
1XXX	Total assets		\$	3,404,856	100	\$	3,345,243	100

(Continued)

COSMO ELECTRONICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEET
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity			December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 417,090	12	\$ 340,000	10
2110	Short-term bills payable	6(10)	49,887	2	49,868	2
2130	Contract liabilities-current		2,943	-	1,313	-
2150	Notes payable	6(11)	1,047	-	-	-
2170	Accounts payable	6(11)	81,403	3	66,808	2
2180	Accounts payable to related parties	7(2)	28,346	1	28,724	1
2200	Other payables		40,052	1	34,396	1
2220	Other payables to related parties	7(2)	2,754	-	4,014	-
2280	Lease liabilities-current	6(7)	-	-	2,340	-
2320	Long-term liabilities-current portion		519,000	15	241,000	7
2399	Other current liabilities		2,770	-	2,290	-
21XX	Total current liabilities		<u>1,145,292</u>	<u>34</u>	<u>770,753</u>	<u>23</u>
Non-current liabilities						
2530	Convertible bonds payable	6(12)	273,484	8	292,180	9
2540	Long-term borrowings	6(11)(13)	174,000	5	519,000	15
2570	Deferred income tax liabilities	6(25)	145,592	4	122,773	4
2600	Others non-current liabilities		442	-	145	-
25XX	Total non-current liabilities		<u>593,518</u>	<u>17</u>	<u>934,098</u>	<u>28</u>
2XXX	Total liabilities		<u>1,738,810</u>	<u>51</u>	<u>1,704,851</u>	<u>51</u>
Equity						
Share capital						
3110	Common stock	6(15)	1,616,234	48	1,563,342	47
Capital surplus						
3200	Capital surplus	6(16)	241,891	7	272,535	8
Retained earnings						
3310	Legal reserve	6(17)	1,203	-	350	-
3320	Special reserve		12,484	-	4,810	-
3350	Unappropriated retained earnings		56,156	2	8,527	-
Other equity interest						
3400	Other equity interest	6(18)	(261,922)	(8)	(209,172)	(6)
3XXX	Total equity		<u>1,666,046</u>	<u>49</u>	<u>1,640,392</u>	<u>49</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant subsequent events						
3X2X	Total liabilities and equity		<u>\$ 3,404,856</u>	<u>100</u>	<u>\$ 3,345,243</u>	<u>100</u>

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

COSMO ELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

	Items	Notes	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	6(19) and 7	\$ 590,564	100	\$ 444,833	100
5000	Operating costs	6(4)(24) and 7	(451,191)	(76)	(411,832)	(92)
5900	Gross profit		139,373	24	33,001	8
5910	Unrealized (profit) loss from sales		(1,104)	-	1,571	-
5950	Gross profit		<u>138,269</u>	<u>24</u>	<u>34,572</u>	<u>8</u>
	Operating expenses	6(24)				
6100	Selling expenses		(16,739)	(3)	(14,824)	(3)
6200	General and administrative expenses		(77,802)	(13)	(74,333)	(17)
6300	Research and development expenses		(853)	-	(1,544)	-
6450	Expected credit impairment gain		3	-	-	-
6000	Total operating expenses		(95,391)	(16)	(90,701)	(20)
6900	Operating profit (loss)		<u>42,878</u>	<u>8</u>	<u>56,129</u>	<u>(12)</u>
	Non-operating income and expenses					
7010	Other income	6(20)	1,664	-	1,616	-
7020	Other gains and losses	6(21)	(7,720)	(1)	(5,742)	(1)
7050	Finance costs	6(22)	(26,295)	(4)	(25,535)	(6)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(5)	<u>109,386</u>	<u>18</u>	<u>160,005</u>	<u>36</u>
7000	Total non-operating income and expenses		<u>77,035</u>	<u>13</u>	<u>130,344</u>	<u>29</u>
7900	Profit before income tax		119,913	21	74,215	17
7950	Income tax expense	6(25)	(64,974)	(11)	(67,847)	(15)
8200	Profit for the year		<u>\$ 54,939</u>	<u>10</u>	<u>\$ 6,368</u>	<u>2</u>
	Components of other comprehensive income(loss) that will not be reclassified to profit or loss					
8311	(Loss)Gain on remeasurements of defined benefit plans	6(14)	(\$ 359)	-	\$ 5,939	1
8316	Unrealized gain (loss) on valuation of equity investment at fair value through other comprehensive income		-	-	-	-
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will not be reclassified to profit or loss		1,504	-	(2,592)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	<u>72</u>	<u>-</u>	<u>(1,188)</u>	<u>-</u>
8310	Other comprehensive income(loss) that will not be reclassified to profit or loss		<u>1,217</u>	<u>-</u>	<u>2,159</u>	<u>-</u>

(Continued)

COSMO ELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items		Notes	2021		2020	
			Amount	%	Amount	%
	Components of other comprehensive income(loss) that will be reclassified to profit or loss					
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under the equity method that will be reclassified to profit or loss	6(18)	(52,750)	(9)	(90,776)	(20)
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		(52,750)	(9)	(90,776)	(20)
8300	Other comprehensive loss for the year		(\$ 51,533)	(9)	(\$ 88,617)	(20)
8500	Total comprehensive income(loss) for the year		\$ 3,406	1	\$ 82,249	(18)
	Basic earnings per share					
9750	Basic earnings per share	6(26)	\$ 0.35		\$ 0.04	
	Diluted earnings per share					
9850	Diluted earnings per share		\$ 0.35		\$ 0.04	

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

COSMO ELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWANDOLLARS)

	Notes	Share capital- common stock	Capital surplus	Legal reserve	Special reserve	Retained earnings	Financial statements translation differences of foreign operations	Total equity
						Unappropriated retained earnings		
<u>2020</u>								
Balance at January 1, 2020		\$ 1,563,342	\$ 253,248	\$ 350	\$ 4,810	\$ -	(\$ 118,396)	\$ 1,703,354
Profit for the year		-	-	-	-	6,368	-	6,368
Other comprehensive income(loss) for the year		-	-	-	-	2,159	(90,776)	(88,617)
Total comprehensive income(loss) for the year		-	-	-	-	8,527	(90,776)	(82,249)
Issuance of convertible bonds	6(12)	-	19,287	-	-	-	-	19,287
Balance at December 31, 2020		\$ 1,563,342	\$ 272,535	\$ 350	\$ 4,810	\$ 8,527	(\$ 209,172)	\$ 1,640,392
<u>2021</u>								
Balance at January 1, 2021		\$ 1,563,342	\$ 272,535	\$ 350	\$ 4,810	\$ 8,527	(\$ 209,172)	\$ 1,640,392
Profit for the year		-	-	-	-	54,939	-	54,939
Other comprehensive income(loss) for the year		-	-	-	-	1,217	(52,750)	(51,533)
Total comprehensive income(loss) for the year		-	-	-	-	56,156	(52,750)	3,406
Legal reserve		-	-	853	-	(853)	-	-
Special reserve		-	-	-	7,674	(7,674)	-	-
Issuance of share from capital surplus		46,900	(46,900)	-	-	-	-	-
Conversion of convertible bonds	6(12)	5,992	16,256	-	-	-	-	22,248
Balance at December 31, 2021		\$ 1,616,234	\$ 241,891	\$ 1,203	\$ 12,484	\$ 56,156	(\$ 261,922)	\$ 1,666,046

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

COSMO ELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWANDOLLARS)

	Notes	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax for the year		\$ 119,913	\$ 74,215
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6(6)(7)	45,004	46,899
Amortization	6(9)	1,158	975
Finance cost	6(22)	26,295	25,535
Interest income	6(20)	(80)	(127)
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(5)	(109,386)	(160,005)
Provision for inventory and obsolescence	6(4)	(7,157)	(12,730)
Gain on fair value changes of investment property	6(8)	(2,178)	(380)
Changes in assets and liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		-	635
Accounts receivable		10,842	(16,991)
Accounts receivable from related parties		(46,065)	(1,088)
Other receivables from related parties		73	6,330
Inventories		10,051	86,132
Prepayments		(2,910)	(504)
Other current assets		(484)	(621)
Other non-current assets		1,920	1,090
Net defined benefit assets		(1,576)	(1,590)
Net changes in liabilities relating to operating activities			
Contract liabilities-current		1,630	339
Notes payable		1,047	-
Accounts payable		14,595	25,450
Accounts payable to related parties		(378)	(13,017)
Other payables		1,335	2,714
Other payables to related parties		(1,260)	4,014
Other current liabilities		480	(63)
Cash inflow generated from operations		62,869	67,212
Interest received		88	120
Income taxes received		-	29
Unrealized profit (loss) from sales		1,004	(1,572)
Net cash flows generated from operating activities		63,961	65,789

(Continued)

COSMO ELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWANDOLLARS)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisitions of financial assets at amortized cost		(\$ 9,802)	\$ -
Acquisitions of investments accounted for under the equity method		-	(305,317)
Proceeds from capital reduction investments accounted for under the equity method	6(5)	142,050	-
Acquisitions of property, plant and equipment	6(27)	(209,663)	(8,533)
Proceeds from disposal of property, plant and equipment		-	2,410
(Increase) decrease in refundable deposits		(1,529)	440
Increase in other receivables		(115)	(678)
Acquisitions of intangible assets	6(9)	(678)	(2,930)
Acquisitions of investment property	6(8)	(55,329)	-
Increase in prepayments for equipment		(31,155)	(3,043)
Net cash flows used in investing activities		(166,221)	(317,651)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(27)	902,090	-
Decrease in short-term borrowings	6(27)	(825,000)	-
Lease principal repayment		(2,340)	(4,531)
Issuance of convertible bonds	6(10)	-	308,510
Unpaid for disposal of investments accounted for under the equity method		-	120,000
Repayment for long-term borrowings	6(27)	(247,000)	(100,000)
Proceeds from long-term borrowings	6(27)	180,000	-
Increase in others non-current liabilities		297	-
Interest paid		(22,579)	(22,732)
Net cash flows generated from financing activities		(14,532)	301,247
Net(decrease) increase in cash and cash equivalents		(116,792)	49,385
Cash and cash equivalents at beginning of year		223,450	174,065
Cash and cash equivalents at end of year		\$ 106,658	\$ 223,450

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

Attachment 4

Independent Auditors' Report Translated from Chinese

To the Board of Directors and Shareholders of Cosmo Electronics Corporation

Opinion

We have audited the accompanying consolidated financial statements of Cosmo Electronics Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

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

Key Audit Matters

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

The key audit matters in relation to the consolidated financial statements for the year ended December 31,2021, are outlined as follows:

Valuation of inventory

Description

Please refer to Note 4(12) for the description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(4) for details of inventory.

The Group has a higher risk of inventory market value decline since technology evolution affecting the market value and the possibility of inputs for obsolete products. Inventory are stated at the lower of cost or net realizable value. Providing valuation loss for obsolete inventories bases on net realizable value.

As the evaluation of inventory requires critical judgement and the amount of inventory is significant, we consider the valuation of inventory a key audit matter.

How our audit addressed the matter:

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

1. Obtained the policies of inventory valuation and determined whether the policies have been applied consistently.
2. Inspected and performed annual physical count to evaluate whether management identifies and controls obsolete inventories effectively.
3. Validated whether the logic of inventory aging reports used for valuation has been applied adequately in order to ensure the information of consolidated financial statement

would be align with policies.

4. Evaluated and calculated to supporting documents of inventory losses providing from aging over a certain period, and discussed with management the accuracy.
5. Sampled the sources of market value for recalculation of net realization value.

Assessment the fair value of investment property

Description

Please refer to Note 4(16) for the description of accounting policy on investment property. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to investment property. Please refer to Note 6(7) for details of investment property.

The Group held investment property to (a) earn rentals from rental, (b) develop and improve land for future use. The investment property was measured subsequently using the fair value model. The fair value was based on appraisal report issued by external valuers.

As the evaluation of the fair value requires future prediction and the assumptions are unobservable inputs and highly uncertainty as well as the amount of valuation is significant, we consider the valuation of investment property a key audit matter.

How our audit addressed the matter:

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

1. Evaluated whether valuers and appraisal firms were engaged by the Group were qualified and independent.
2. Reviewed the appraisal report issued by the valuer and checked valuation approach to comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
3. For the investment property evaluated by the income approach, evaluated the valuer's rationality of the future cash flow of the Group, and compared the rent used in the valuation approach with the lease agreement signed at present.
4. For the investment property evaluated by land development analysis method, examined the prices of various comparison targets used, and compared them with the prices of

similar assets available from public information.

5. Evaluated the correctness of the model calculation, and confirmed that the recognized amount is consistent with the appraisal report.

Other Matter Parent Company Only Financial Reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Cosmo Electronics Corporation, as at and for the years ended December 31, 2021 and 2020.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Audit

ors' 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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 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.

Tsai, Yi Tai

Liang, Chan Nyu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 29, 2022

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

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COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31,2021		December 31,2020			
			Amount	%	Amount	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	586,246	15	\$	1,007,732	25
1150	Notes receivable, net	6(3)		-	-		8,017	-
1170	Accounts receivable, net	6(3)		336,289	8		319,473	8
1180	Accounts receivable from related parties, net	7		-	-		1,955	-
1200	Other receivables			16,575	-		22,837	1
1210	Other receivables from related parties	7		18,348	1		18,579	-
1220	Current income tax assets			4,941	-		5,010	-
130X	Inventories	6(4)		464,054	12		434,185	11
1410	Prepayments	7		50,795	1		59,717	1
1479	Other current assets			1,736	-		1,852	-
11XX	Total current assets			1,478,984	37		1,879,357	46
Non-current assets								
1535	Financial assets at amortized cost-non current	6(2) and 8		19,050	1		3,678	-
1600	Property, plant and equipment	6(5) and 8		740,479	19		601,177	15
1755	Right-of-use assets	6(6) and 8		122,369	3		117,371	3
1760	Investment property, net	6(7) and 8		1,465,874	37		1,301,016	32
1780	Intangible assets	6(8)		13,581	-		15,256	-
1840	Deferred income tax assets	6(24)		55,088	1		85,676	2
1915	Prepayments for equipment			36,485	1		6,432	-
1920	Refundable deposits			15,029	-		25,586	1
1975	Net defined benefit assets-non current	6(12)		18,395	-		17,178	1
1990	Other non-current assets			24,210	1		7,287	-
15XX	Total non-current assets			2,510,560	63		2,180,657	54
1XXX	Total assets		\$	3,989,544	100	\$	4,060,014	100

(Continued)

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity			December 31, 2021		December 31, 2020	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 480,754	12	\$ 405,504	10
2110	Short-term bills payable	6(9)	49,887	1	49,868	1
2130	Contract liabilities-current	6(17)	2,943	-	1,439	-
2150	Notes payable		1,047	-	-	-
2170	Accounts payable		123,264	3	85,126	2
2180	Accounts payable to related parties	7	12,907	-	31,871	1
2219	Other payables		52,395	1	46,934	1
2220	Other payables to related parties	7	-	-	103	-
2230	Current income tax liabilities		1,563	-	151	-
2280	Lease liabilities-current		6,305	-	2,506	-
2320	Long-term liabilities-current portion	6(11) and 7	898,205	23	241,000	6
2399	Other current liabilities		14,781	1	14,429	1
21XX	Total current liabilities		<u>1,644,051</u>	<u>41</u>	<u>878,931</u>	<u>22</u>
Non-current liabilities						
2530	Convertible bonds payable	6(10)	273,484	7	292,180	7
2540	Long-term borrowings	6(11) and 7	174,000	4	875,000	22
2570	Deferred income tax liabilities	6(24)	196,735	5	222,779	5
2580	Lease liabilities-non current		6,605	-	-	-
2620	Long-term notes payable to related parties	6(11) and 7	-	-	117,669	3
2640	Net defined benefit liability-non current	6(12)	28,096	1	32,808	1
2670	Others non-current liabilities		527	-	255	-
25XX	Total non-current liabilities		<u>679,447</u>	<u>17</u>	<u>1,540,691</u>	<u>38</u>
2XXX	Total liabilities		<u>2,323,498</u>	<u>58</u>	<u>2,419,622</u>	<u>60</u>
Equity						
	Share capital	6(13)				
3110	Common stock		1,616,234	41	1,563,342	38
	Capital surplus	6(14)				
3200	Capital surplus		241,891	6	272,535	7
	Retained earnings	6(15)				
3310	Legal reserve		1,203	-	350	-
3320	Special reserve		12,484	-	4,810	-
3350	Unappropriated retained earnings		56,156	1	8,527	-
	Other equity interest	6(16)				
3400	Other equity interest		(261,922)	(6)	(209,172)	(5)
31XX	Equity attributable to owners of the parent		<u>1,666,046</u>	<u>42</u>	<u>1,640,392</u>	<u>40</u>
3XXX	Total equity		<u>1,666,046</u>	<u>42</u>	<u>1,640,392</u>	<u>40</u>
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant subsequent events	11				
3X2X	Total liabilities and equity		<u>\$ 3,989,544</u>	<u>100</u>	<u>\$ 4,060,014</u>	<u>100</u>

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2021 AND 2020

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

	Items	Notes	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	6(17) and 7	\$ 1,341,812	100	\$ 1,245,165	100
5000	Operating costs	6(4) and 7	(1,108,883)	(83)	(1,098,339)	(88)
5900	Gross profit		<u>232,929</u>	<u>17</u>	<u>146,826</u>	<u>12</u>
	Operating expenses					
6100	Selling expenses		(51,738)	(4)	(55,649)	(5)
6200	General and administrative expenses		(174,906)	(13)	(165,780)	(13)
6300	Research and development expenses		(5,614)	-	(4,911)	-
6450	Expected credit impairment gain(loss)		<u>54</u>	<u>-</u>	<u>(7,314)</u>	<u>(1)</u>
6000	Total operating expenses		<u>(232,204)</u>	<u>(17)</u>	<u>(233,654)</u>	<u>(19)</u>
6900	Operating profit (loss)		<u>725</u>	<u>-</u>	<u>(86,828)</u>	<u>(7)</u>
	Non-operating income and expenses					
7100	Interest income	6(18)	1,744	-	2,343	-
7010	Other income	6(19)	10,090	1	11,701	1
7020	Other gains and losses	6(20)	90,492	7	119,546	9
7050	Finance costs	6(21)	(36,660)	(3)	(41,418)	(3)
7000	Total non-operating income and expenses		<u>65,666</u>	<u>5</u>	<u>92,172</u>	<u>7</u>
7900	Profit before income tax		66,391	5	5,344	-
7950	Income tax(expense)benefit	6(24)	(11,452)	(1)	<u>1,024</u>	<u>-</u>
8200	Profit for the year		<u>\$ 54,939</u>	<u>4</u>	<u>\$ 6,368</u>	<u>-</u>
	Other comprehensive income(loss)					
	Components of other comprehensive income(loss) that will not be reclassified to profit or loss					
8311	Gain on remeasurements of defined benefit plans	6(12)	\$ 1,566	-	\$ 2,699	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		<u>(349)</u>	<u>-</u>	<u>(540)</u>	<u>-</u>
8310	Other comprehensive income(loss) that will not be reclassified to profit or loss		<u>1,217</u>	<u>-</u>	<u>2,159</u>	<u>-</u>
	Components of other comprehensive income(loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(16)	(52,750)	(4)	(90,776)	(7)
8300	Other comprehensive loss for the year		<u>(\$ 51,533)</u>	<u>(4)</u>	<u>(\$ 88,617)</u>	<u>(7)</u>
8500	Total comprehensive income(loss) for the year		<u>\$ 3,406</u>	<u>-</u>	<u>(\$ 82,249)</u>	<u>(7)</u>

(Continued)

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE DATA)

Items	Notes	2021		2020	
		Amount	%	Amount	%
Profit attributable to:					
8610 Owners of the parent		<u>\$ 54,939</u>	<u>4</u>	<u>\$ 6,368</u>	<u>-</u>
Comprehensive income(loss)					
attributable to :					
8710 Owners of the parent		<u>\$ 3,406</u>	<u>-</u>	<u>(\$ 82,249)</u>	<u>(7)</u>
Earnings per share	6(25)				
9750 Basic earnings per share		<u>\$ 0.35</u>		<u>\$ 0.04</u>	
9850 Diluted earnings per share		<u>\$ 0.35</u>		<u>\$ 0.04</u>	

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Equity attributable to owners of the parent						Financial statements translation differences of
		Share capital-	Retained earnings				Unappropriated	
		common stock	Capital surplus	Legal reserve	Special reserve	retained earnings	foreign operations	Total equity
<u>2020</u>								
Balance at January 1, 2020		\$ 1,563,342	\$ 253,248	\$ 350	\$ 4,810	\$ -	(\$ 118,396)	\$ 1,703,354
Profit for the year		-	-	-	-	6,368	-	6,368
Other comprehensive income(loss) for the year		-	-	-	-	2,159	(90,776)	(88,617)
Total comprehensive income(loss) for the year	6(16)	-	-	-	-	8,527	(90,776)	(82,249)
Issuance of convertible bonds	6(10)	-	19,287	-	-	-	-	19,287
Balance at December 31, 2020		\$ 1,563,342	\$ 272,535	\$ 350	\$ 4,810	\$ 8,527	(\$ 209,172)	\$ 1,640,392
<u>2021</u>								
Balance at January 1, 2021		\$ 1,563,342	\$ 272,535	\$ 350	\$ 4,810	\$ 8,527	(\$ 209,172)	\$ 1,640,392
Profit for the year		-	-	-	-	54,939	-	54,939
Other comprehensive income(loss) for the year		-	-	-	-	1,217	(52,750)	51,504
Total comprehensive income(loss) for the year	6(16)	-	-	-	-	56,156	(52,750)	3,404
Distribution of 2020 earnings								
Legal reserve	6(15)	-	-	853	-	(853)	-	-
Special reserve		-	-	-	7,674	(7,674)	-	-
Conversion of convertible bonds	6(10)	5,992	16,256	-	-	-	-	22,248
Issuance of share from capital surplus	6(13)	46,900	(46,900)	-	-	-	-	-
Balance at December 31, 2021		\$ 1,616,234	\$ 241,891	\$ 1,203	\$ 12,484	\$ 56,156	(\$ 261,922)	\$ 1,666,046

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

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Consolidated profit before tax for the year		\$ 66,391	\$ 5,344
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6(5)(6)(22)	96,920	113,172
Amortization	6(8)(22)	2,057	1,924
Expected credit impairment (gain)losses		(54)	7,314
Interest expense	6(21)	36,660	41,418
Interest income	6(18)	(1,744)	(2,343)
Gain on fair value changes of investment property	6(20)	(118,207)	(141,250)
Gain on disposal of financial assets at amortized cost	6(20)	-	(2,100)
Provision (Reversal)for inventory and obsolescence	6(4)	1,558	(1,353)
Changes in assets and liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Notes receivable		8,017	42,153
Accounts receivable		(16,753)	42,155
Accounts receivable from related parties		1,955	10,993
Other receivables		6,262	(15,568)
Other receivables from related parties		231	16,138
Inventories		(31,427)	105,895
Prepayments		8,922	32,552
Net defined benefit assets		(1,576)	-
Other current assets		116	21
Net changes in liabilities relating to operating activities			
Contract liabilities-current		1,504	400
Notes payable		1,047	-
Accounts payable		38,138	5,577
Accounts payable to related parties		(18,964)	23,495
Other payables		5,461	(15,723)
Other payables to related parties		(103)	(375)
Other current liabilities		352	(3,546)
Net defined benefit liability		(2,787)	1,300
Cash inflow generated from operations		83,976	267,593
Interest received		1,744	2,448
Income taxes paid		(28,979)	(1,705)
Net cash flows generated from operating activities		56,741	268,336

(Continued)

COSMO ELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisitions of financial assets at amortized cost		(\$ 15,372)	\$ -
Proceeds from disposal of financial assets at amortized cost		-	16,151
Net cash flow from acquisition of subsidiaries(net of cash acquired)		-	(193,552)
Proceeds from disposal of subsidiaries(net of cash disposed)		-	120,000
Acquisitions of property, plant and equipment	6(5)(26)	(229,513)	(15,709)
Proceeds from disposal of property, plant and equipment		3,278	2,411
Decrease in refundable deposits		10,557	21,163
Acquisitions of intangible assets	6(8)	(677)	(2,930)
Acquisitions of investment property	6(7)	(79,199)	-
Increase in other non-current assets		(16,923)	(2,243)
Increase in prepayments for equipment		(34,095)	-
Net cash flows used in investing activities		(361,944)	(54,709)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(27)	1,817,659	-
Decrease in short-term borrowings	6(27)	(1,740,569)	-
Issuance of convertible bonds	6(10)	-	308,510
Repayment for long-term borrowings	6(27)	(328,200)	(100,000)
Proceeds from long-term borrowings	6(27)	180,000	-
Lease principal repayment		(9,449)	(10,183)
Increase in others non-current liabilities		274	-
Interest paid		(33,057)	(39,740)
Net cash flows (used in)/ generated from financing activities		(113,342)	158,587
Effect due to changes in exchange rate		(2,941)	(46,783)
Net(decrease) increase in cash and cash equivalents		(421,486)	325,431
Cash and cash equivalents at beginning of year		1,007,732	682,301
Cash and cash equivalents at end of year		\$ 586,246	\$ 1,007,732

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

Attachment 5

Cosmo Electronics Corporation PROFIT DISTRIBUTION TABLE Year 2021

		(Unit: NTD)
Beginning retained earnings	\$	0
Add: net profit after tax	\$	54,938,866
Add : OTHER COMPREHENSIVE INCOME (Remeasurements of defined benefit obligation)		1,217,191
Subtotal		56,156,057
Less: 10% legal reserve		(5,615,606)
Less: Special reserves		(50,540,451)
Unappropriated retained earnings	\$	0

Notes: Deduction on Shareholders' Equity by December 31, 2021: Gains and loss on the exchange differences resulting from translating the financial statements in foreign operations was NT\$52,749,708 in accordance with Regulation No. 1090150022 which states that with the current year of the net income after tax and the retained earnings in previous period, the corresponding amount of the special surplus reserve should be allocated, if the current year of the net income after tax and the retained earnings in previous period is insufficient to allocate, only the retained earnings should be allocated till the calculation turns out to zero.

Chairman: TSAI, NAI-CHENG / General Manager: Chao Chia-chi / Accounting Supervisor: Hung Yu-han

Attachment 6

Cosmo Electronics Corporation Articles of Incorporation Amendment Comparison Table

Revised Provisions	Current Provisions	Revision Notes
Article 9-1 When the shareholders' meeting is held, it may be held by video conference or other methods announced by the MOEA.		1. Added to this article. 2. In response to the revision of Article 172-2 of the Company Law, open public offerings may, as stipulated in the Articles of Incorporation, be held via video conference or by way of announcement from the MOEA. In order to increase the flexibility of shareholders' meetings, providing shareholders with other ways to participate in shareholders' meetings, this article is newly added to cooperate with the aforementioned amendments.
Article 22 Stipulation on 3/31/1980 The 29 th amendment on 7/20/2021 <u>The 30th amendment on 6/24/2022</u>	Article 22 Stipulation on 3/31/1980 The 29 th amendment on 7/20/2021	The revision information is added

Attachment 7

Cosmo Electronics Corporation Operational procedures for Endorsements/Guarantees Comparison Table

Revised Provisions	Current Provisions	Revision Notes
<p>Article 4. Limitation of Endorsements/Guarantees</p> <p>1. The total amount of the Company's external endorsement shall not exceed 50 percent of the current net worth, and the maximum amount of endorsements/guarantees for a single enterprise shall not exceed 40 percent of the current net worth of the Company. "Net worth" means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>2. For those who engage in endorsements/guarantees due to business transactions with the Company, in addition to above regulations, the amount of individual endorsements/guarantees shall not exceed the amount of transactions between the two companies. The amount of business transactions refers to the higher amount of purchase or sale between the two companies.</p> <p>3. The total amount of endorsements/guarantees by the Company and subsidiaries shall not exceed 200 percent of the net worth of the current period, and the amount of endorsements/guarantees for a single enterprise shall not exceed <u>100</u> percent of the net worth of the current period.</p>	<p>Article 4. Limitation of Endorsements/Guarantees</p> <p>1. The total amount of the Company's external endorsement shall not exceed 50 percent of the current net worth, and the maximum amount of endorsements/guarantees for a single enterprise shall not exceed 40 percent of the current net worth of the Company. "Net worth" means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>2. For those who engage in endorsements/guarantees due to business transactions with the Company, in addition to above regulations, the amount of individual endorsements/guarantees shall not exceed the amount of transactions between the two companies. The amount of business transactions refers to the higher amount of purchase or sale between the two companies.</p> <p>3. The total amount of endorsements/guarantees by the Company and subsidiaries shall not exceed 200 percent of the net worth of the current period, and the amount of endorsements/guarantees for a single enterprise shall not exceed <u>50</u> percent of the net worth of the current period.</p>	<p>According to the regulations "if the aggregate amount of endorsements/guarantees that is set as the ceiling for the public company and its subsidiaries as a whole reaches 50% or more of the net worth of the public company, an explanation of the necessity and reasonableness thereof shall be given at the shareholders meeting", The Company and its subsidiary will jointly guarantee for each other, below is the explanation: Based on the preceding paragraph and for the operational needs, The Company and its subsidiary jointly guarantee with each other to get loans from financial institutions to reduce financing cost and shall decrease the operational costs, this jointly guarantee reaches 50% or more of the net worth of the Company and the subsidiary as a whole in accordance with the regulations which justifies the necessity and reasonableness of this jointly guarantee.</p>

Attachment 8

Cosmo Electronics Corporation Procedures for the Acquisition or Disposal of Assets Comparison Table

Revised Provisions	Current Provisions	Revision Notes
<p>Article 7 Valuation of real property or equipment</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price or specified price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the audit committee and the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the</p>	<p>Article 7 Valuation of real property or equipment</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>1. Where due to special circumstances it is necessary to give a limited price or specified price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the audit committee and the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>2. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the</p>	<p>Amended according to issue#1110380465 dated on 1/28/2022 from FSC</p>

Revised Provisions	Current Provisions	Revision Notes
<p>appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>The following content is omitted.</p>	<p>appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>The following content is omitted.</p>	
<p>Article 8 Valuation of Securities</p> <p>When the company acquires or disposes of securities, it shall obtain the most recent financial statements of the target company that have been audited, certified or reviewed by an accountant before the date of the fact as a reference for evaluating the transaction price.</p> <p>If the transaction amount exceeds 20% of the company's paid-in capital or more than NT\$300 million, an accountant should be contacted for an opinion on the reasonableness of the transaction price before the actual occurrence. However, this does not apply if the securities are publicly quoted in an active market or otherwise stipulated by the Financial Supervisory Commission.</p>	<p>Article 8 Valuation of Securities</p> <p>When the company acquires or disposes of securities, it shall obtain the most recent financial statements of the target company that have been audited, certified or reviewed by an accountant before the date of the fact as a reference for evaluating the transaction price.</p> <p>If the transaction amount exceeds 20% of the company's paid-in capital or more than NT\$300 million, an accountant should be contacted before the fact to express their opinion on the reasonableness of the transaction price. If the accountant needs to use an expert report, they should It shall be handled in accordance with the Bulletin No. 20 of the Auditing Standards issued by the Accounting Research and Development Foundation. However, this does not apply if the securities are publicly quoted in an active market or otherwise stipulated by the Financial Supervisory Commission.</p>	
<p>Article 9. Valuation of membership card or intangible assets</p> <p>When acquiring or disposing of intangible</p>	<p>Article 9 Valuation of membership card or intangible assets</p> <p>When acquiring or disposing of intangible</p>	

Revised Provisions	Current Provisions	Revision Notes
assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	
<p>Article 11 Exemption from announcement and declaration</p> <p>If the company acquires or disposes of assets that fall under the following items, it may be exempted from public announcement according to regulations:</p> <p>1. Trading of domestic government bonds or foreign public bonds with a credit rating not lower than my country's sovereign rating.</p> <p>2. Trading bonds with buyback and sellback conditions, and subscription or buyback of money market funds issued by domestic securities investment trust enterprises.</p>	<p>Article 11 Exemption from Public Announcements and Reports</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets can exempt from public announcing and reporting in accordance with regulations:</p> <p>1. Trading of domestic government bonds.</p> <p>2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	
<p>Article 13 Transactions with Related Persons</p> <p>1~2 omitted</p> <p>3. The company acquires or disposes of real estate or its right-of-use assets from a related party, or acquires or disposes of real estate or other assets other than its right-of-use assets from a related party and the transaction amount reaches 20% of the company's paid-in capital; 10% of the total assets or NT\$300 million or more, in addition to buying and selling domestic government bonds, bonds subject to repurchase and sell-back conditions, and purchasing or repurchasing money market funds issued by domestic securities investment trust</p>	<p>Article 13 Related Party Transactions</p> <p>1~2 omitted</p> <p>3. When a public company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by</p>	

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<p>enterprises, the following After submitting the information to the audit committee for approval and the board of directors for approval, the transaction contract and payment can be signed:</p> <p>(1) ~ (7) omitted</p> <p><u>If the company or its subsidiaries that are not domestic public companies have transactions specified in this paragraph and the transaction amount exceeds 10% of the company's total assets, the company shall submit the information listed in this paragraph to the shareholders' meeting for approval before signing a transaction contract and making payment. However, the transaction between the company and its parent company, subsidiaries, or its subsidiaries is not limited to this.</u></p> <p>The calculation of the transaction amount shall be carried out in accordance with the provisions of Paragraph 2 of Article 10, and the term within one year shall be based on the date of the actual occurrence of the transaction, and shall be retrospectively calculated for one year, which has been submitted to the <u>shareholders meeting</u>. The audit committee agreed and the board of directors approved the partial exemption.</p> <p>When submitting the matter to the board of directors for discussion in accordance with Paragraph 3, the opinions of each independent director shall be fully considered, and any dissenting opinions or reservations of independent directors shall be stated in the minutes of the board meeting.</p>	<p>domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and recognized by the board of directors:</p> <p>(1) ~ (7) omitted</p> <p>The calculation of the transaction amount shall be handled in accordance with the provisions of Paragraph 2 of Article 10, and the term within one year shall be based on the date of the actual occurrence of the transaction, retroactively calculated for one year, and submitted to the Audit Committee for approval in accordance with the provisions of this procedure. and the board of directors approved the partial exemption from re-accounting.</p> <p>When submitting the matter to the board of directors for discussion in accordance with Paragraph 3, the opinions of each independent director shall be fully considered, and any dissenting opinions or reservations of independent directors shall be stated in the minutes of the board meeting.</p>	

Attachment 9

Cosmo Electronics Corporation Rules and Procedures of Shareholders' Meeting Comparison Table

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<p>Article 1</p> <p>To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.</p>		Newly Added.
<p>Article 3</p> <p>Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p><u>Changes to how this Corporation convenes its shareholders' meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders' meeting notice.</u></p> <p>This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of</p>		<p>1.To revise the content of the shareholder's meeting.</p> <p>2. This article is newly added in response to the competent authority encouraging a video-assisted conference as an option to hold a physical shareholders' meeting.</p>

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<p>the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders' meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholder's meeting, this Corporation shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p><u>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <ol style="list-style-type: none"> <u>1. For physical shareholder's meetings, to be distributed on-site at the meeting.</u> <u>2. For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u> <u>3. For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.</u> <p>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.</p> <p>Election or dismissal of directors or supervisors, 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,</p>		

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<p>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.</p> <p>Where re-election of all directors and supervisors 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.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation 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.</p> <p>Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location</p>		

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<p>and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>		
<p>Article 4</p> <p>For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before 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.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation 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</p>		<p>1.To revise the content of the shareholder's meeting.</p> <p>2. This article is newly added in response to the competent authority encouraging a video-assisted conference as an option to hold a physical shareholders' meeting.</p>

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<p>shall prevail.</p> <p><u>If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation 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.</u></p>		
<p>Article 5</p> <p>The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders' meeting.</u></p>	<p>Article 12</p> <p>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.</p>	<p>1. To revise the content of the shareholder's meeting.</p> <p>2. This article is newly added in response to the competent authority encouraging a video-assisted conference as an option to hold a physical shareholders' meeting.</p>
<p>Article 6</p> <p>This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations <u>for shareholders, solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention.</p> <p>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. <u>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.</u></p>	<p>Article 2</p>	

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<p><u>Shareholders</u> shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation 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.</p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>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.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date.</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation 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.</u></p>	<p>Shareholders and their proxies (collectively, "shareholders") shall attend shareholder's meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>Article 25</p> <p>The Company shall furnish 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, pre-printed ballots shall also be furnished.</p>	
<p>Article 6-1</p> <p><u>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:</u></p> <p>1. <u>How shareholders attend the virtual meeting and</u></p>		<p>This article is newly added in response to the competent authority encouraging a</p>

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<p><u>exercise their rights.</u></p> <p>2. <u>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:</u></p> <p><u>2-1 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.</u></p> <p><u>2-2 Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u></p> <p><u>2-3 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.</u></p> <p><u>2-4 Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u></p> <p>3. <u>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.</u></p>		<p>video-assisted conference as an option to hold a physical shareholders' meeting.</p>
<p>Article 7</p> <p>If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the</p>	<p>Article 13.</p> <p>If a shareholders meeting is convened by the board of directors,</p>	<p>To revise the content of the shareholder's</p>

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<p>chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.</p> <p>When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.</p> <p>It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting 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 chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.</p> <p>This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.</p>	<p>the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. It is advisable that a majority of the directors shall attend shareholders' meetings convened by the board of directors in person.</p> <p>When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.</p> <p>Article 14 The Company may appoint its</p>	<p>meeting.</p>

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	attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.	
<p>Article 8</p> <p>This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</p> <p>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.</p> <p><u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation 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.</u></p> <p><u>In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u></p>	<p>Article 15</p> <p>The Company shall make an uninterrupted audio and video recording or the whole procedures, and the recorded materials 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.</p>	<p>1. To revise the content of the shareholder's meeting.</p> <p>2. This article is newly added in response to the competent authority encouraging a video-assisted conference as an option to hold a physical shareholders' meeting.</p>
<p>Article 9</p> <p>Attendance at shareholders' meetings shall be</p>	<p>Article 3</p> <p>Attendance at shareholders'</p>	

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<p>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, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 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 chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>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. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit</p>	<p>meetings shall be calculated based on numbers if 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 plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>Article 4</p> <p>The chair shall call the meeting to order at the appointed meeting time.</p> <p>However, when the attending shareholders do not represent a majority of the total numbers of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements, 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. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	

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the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.		
<p>Article 10</p> <p>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.</p> <p>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.</p> <p>The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.</p> <p>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.</p>	<p>Article 5</p> <p>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. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. When the meeting has been adjourned by resolution,</p>	<p>To revise the content of the shareholder's meeting.</p>

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	<p>shareholders shall not elect another chair at the same venue or continue the meeting at a different venue.</p> <p>Article 9</p> <p>For the discussion of the proposal, when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.</p>	
<p>Article 11</p> <p>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>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.</p> <p>After an attending shareholder has spoken, the chair</p>	<p>Article 7</p> <p>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When a shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>Article 8</p> <p>Except with the consent of the</p>	<p>1. To revise the content of the shareholder's meeting.</p> <p>2. This article is newly added in response to the competent authority encouraging a video-assisted conference as an option to hold a physical shareholders' meeting.</p>

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<p>may respond in person or direct relevant personnel to respond.</p> <p><u>Where a virtual shareholders meeting is convened,</u></p> <p>shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair 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.</p> <p><u>As long as questions so raised in accordance with the</u> 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.</p>	<p>chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the attending shareholder's speech violates preceding rules, exceeds the scope of the agenda item, or disturb the meeting, the chair may terminate the speech. Other shareholders may also request the chair to do so.</p> <p>Article 18</p> <p>When a juristic person is appointed to attend as proxy, it may designate one person to represent it in the meeting. 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.</p> <p>Article 19</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel</p>	
<p>Article 12</p> <p>Voting at a shareholders meeting shall be calculated based the number of shares.</p> <p>With respect to resolutions of shareholder's 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.</p> <p>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on</p>	<p>to respond.</p> <p>Article 10</p> <p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall</p>	<p>To revise the content of the shareholder's meeting.</p>

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<p>that item, and may not exercise voting rights as proxy for any other shareholder.</p> <p>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.</p> <p>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.</p>	<p>first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. 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.</p> <p>A shareholder may appoint a proxy to attend the meeting. 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.</p>	
<p>Article 13</p> <p>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.</p> <p>When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence <u>or electronic means</u> 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</p>		<p>1. To revise the content of the shareholder's meeting.</p> <p>2. This article is newly added in response to the competent authority encouraging a video-assisted conference as an option to hold a physical shareholders' meeting.</p>

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<p>that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence <u>or electronic means</u> under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting.</p> <p>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.</p> <p>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 this Corporation, 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.</p> <p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and</p>	<p>Article 17</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Article 20</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record of the vote shall be made.</p>	

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<p>against and the number of abstentions, shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p> <p>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.</p> <p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When this Corporation 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,</u></p>		

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<p><u>they may only attend the shareholders meeting online.</u></p> <p><u>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.</u></p>		
<p>Article 14</p> <p>The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, 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.</p> <p>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.</p>	<p>Article 24</p> <p>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 the numbers of votes with which they were elected.</p> <p>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.</p>	<p>To revise the content of the shareholder's meeting.</p>
<p>Article 15</p> <p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes.</p> <p>The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and</p>		<p>1. To revise the content of the shareholder's meeting.</p> <p>2. This article is newly added in response to the</p>

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<p>distributed in electronic form.</p> <p>This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.</p> <p><u>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 chair'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.</u></p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u></p>		<p>competent authority encouraging a video-assisted conference as an option to hold a physical shareholders' meeting.</p>
<p>Article 16</p> <p>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and <u>the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the</p>		<p>1. To revise the content of the shareholder's meeting.</p> <p>2. This article is newly added in response to the competent authority encouraging a</p>

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<p>place of the shareholders meeting. <u>In the event a virtual shareholders meeting, this Corporation shall upload the above 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.</u></p> <p><u>During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</p>		<p>video-assisted conference as an option to hold a physical shareholders' meeting.</p>
<p>Article 17</p> <p>Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."</p> <p>At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.</p> <p>When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.</p>	<p>Article 21</p> <p>The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."</p>	<p>To revise the content of the shareholder's meeting.</p>

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<p>Article 18</p> <p>When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</p> <p>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.</p>	<p>Article 6</p> <p>When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.</p> <p>If the meeting venue is no longer available for continued use and not all of the items on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.</p> <p>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.</p>	<p>To revise the content of the shareholder's meeting.</p>
<p><u>Article 19</u></p> <p><u>In the event of a virtual shareholders meeting, this Corporation 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 chair has announced the meeting adjourned.</u></p>		<p>This article is newly added in response to the competent authority encouraging a video-assisted conference as an option to hold a physical shareholders' meeting.</p>
<p><u>Article 20</u></p> <p><u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>		
<p>Article 21</p> <p><u>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to</u></p>	<p>Article 22</p> <p>In the event of a major disaster such as an air-raid warning, earthquake</p>	

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<p><u>shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u></p> <p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair 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 chair 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.</u></p> <p><u>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.</u></p> <p><u>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.</u></p> <p><u>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</u></p>	<p>or fire disasters, the meeting will be suspended or stopped, and attending members will be evacuated. After the crisis has been averted for over one hour, the chair shall announce the meeting time.</p>	

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<p><u>and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation 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.</u></p> <p><u>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.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, this Corporation 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.</u></p> <p><u>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, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>		
<p><u>Article 22</u></p> <p><u>When convening a virtual-only shareholders meeting,</u></p>		<p>This article is newly added in</p>

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<u>this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>		response to the competent authority encouraging a video-assisted conference as an option to hold a physical shareholders' meeting.
Article 23 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.	Article 26 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.	
Article 24 These Rules were firstly established on April 20, 1998. The second amendment was made on June 28, 2002. The third amendment was made on June 15, 2004. The fourth amendment was made on June 18, 2020. The fifth amendment was made on July 20, 2021. <u>The sixth amendment was made on June 24, 2022</u>	These Rules were firstly established on April 20, 1998. The second amendment was made on June 28, 2002. The third amendment was made on June 15, 2004. The fourth amendment was made on June 18, 2020. The fifth amendment was made on June 23, 2021.	

Appendix 1

Cosmo Electronics Corporation Rules and Procedures of the Shareholders' Meeting

Article 1: Unless otherwise required by the law, the shareholders' meeting of the Company shall be conducted in accordance with the Rules.

Article 2: Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

Article 3: 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 plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 4: The chairperson shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two postponements, a tentative resolution may be passed in accordance with Article 175 of the Company Act. In the event that the total number of shares represented by attending shareholders reaches a majority of the total issued shares before that same shareholder meeting is adjourned, the chairperson may bring the tentative resolution(s) so adopted into the shareholder meeting anew to be duly resolved in accordance with Article 174 of the Company Act.

Article 5: 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. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. When the meeting has been adjourned by resolution, shareholders shall not elect another chair at the same venue or continue the meeting at a different venue.

Article 6: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items 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 7: An attending shareholder shall issue and submit a floor note before speaking at the shareholder meeting. The floor note shall expressly describe the subject of his or her opinions and his or her shareholder account number (or the code of the participation certificate) so that the chairperson may fix the order of speaking. An attending shareholder who submits a slip of paper but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the contents of shareholder's speech and those recorded on the slip, the contents of shareholder's speech shall prevail. When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless permitted by the chairperson and such speaking shareholder; the chairperson shall stop any such violations.

Article 8: On the same issue, each shareholder shall not take the floor more than twice and a shareholder shall not speak more than three minutes for each round unless agreed upon by the chairperson. The chairperson may stop the speech of any shareholder that is in violation of the ~78~ preceding paragraph or exceeds the scope of the proposal.

Article 9: Where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote.

Article 10: Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. 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.

A shareholder may appoint a proxy to attend the meeting. 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 11: deleted.

Article 12: 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.

Article 13: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. It is advisable that a majority of the directors shall attend shareholders' meetings convened by the board of directors in person.

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

Article 14: 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. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

Article 15: The Company shall make an uninterrupted audio and video recording of the whole procedures, and the recorded materials 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.

Article 16: deleted

Article 17: When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 18: When a juristic person is appointed to attend as proxy, it may designate one person to represent it in the meeting. 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.

Article 19: After a shareholder speaks on the floor, the chairperson may answer either by himself or herself or through a designee.

- Article 20: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record of the vote shall be made.
- Article 21: The chairperson may direct patrol personnel (or security personnel) to assist in maintaining the order of the meeting. Such patrol personnel (or security personnel) shall wear arm badges marked "Patrol Personnel" while assisting in maintaining the order of the meeting.
- Article 22: In the event of a major disaster such as an air-raid warning, earthquake or fire disasters, the meeting will be suspended or stopped, and attending members will be evacuated. After the crisis has been averted for over one hour, the chair shall announce the meeting time.
- Article 23: Issues not provided for in these Rules shall be governed by the Company Act, other relevant regulations and the Company's Articles of Incorporation.
- Article 24: 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 the numbers of votes with which they were elected. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 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 25: The Company shall provide the shareholders present with an agenda handbook, an annual report, an attendance card, a speaker's slip, a voting card, and other meeting materials. In the event that an election of directors is held, a ballot shall also be provided to them.
- Article 26: The Rules and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.
- Article 27: These Rules were firstly established on April 20, 1998.
The second amendment was made on June 28, 2002.
The third amendment was made on June 15, 2004.
The fourth amendment was made on June 18, 2020.
The fifth amendment was made on July 20, 2021.

Appendix 2

Cosmo Electronics Corporation Corporate Governance Best Practice Principles

Chapter 1 General Principles

Article 1 : The name of company shall Cosmo Electronics Corporation (the “Company”). The Company is duly organized in accordance with the Company Act of Taiwan.

Article 2 : The business to be operated by the Company is as follows:

- (1) CB01990 Other Machinery Manufacturing
- (2) CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
- (3) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- (4) CC01060 Wired Communication Mechanical Equipment Manufacturing
- (5) CC01080 Electronic Parts and Components Manufacturing.
- (6) E601020 Electric Appliance Installation
- (7) E603050 Automatic Control Equipment Engineering
- (8) F401010 International Trade
- (9) E604010 Machinery Installation
- (10) CC01040 Lighting Equipment Manufacturing
- (11) E601010 Electric Appliance Construction
- (12) E603090 Lighting Equipments Construction
- (13) IG03010 Energy Technical Services
- (14) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 : The Company is headquartered in New Taipei City. If required, the Company may establish factories or branches in Taiwan or overseas by board of Directors resolution.

Article 4 : The Company may act as a guarantor of another party if required for its business purposes.

Chapter II Shares

Article 5 : The registered share capital of the Company shall be two hundred billion New Taiwan Dollars (NT\$ 2,000,000,000), divided into two billion million (200,000,000) shares at a par value of exactly ten New Taiwan Dollars (NT\$ 10) per share. Thirty thousand NT dollars of the aforementioned capital will be reserved for the issuance of employee stock option certificates to exercise the subscription, and the board of directors is authorized to issue them in installments as needed.

When the company issues new shares, employees who subscribe to shares will be issued to restrict employees’ rights. The objects of the new shares may include employees of affiliated companies who meet certain conditions.

Article 6 : The total amount of the Company's investment in other companies for business purposes shall not be limited by the provisions of Article 13 of the Company Act.

Article 7 : The Company's shares shall be registered, bear the signatures or personal seals of the Director representing the Company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws. The Company may issue shares without certificates which shall be registered with a central securities depository. The company's share affairs are handled in accordance with the Company Law and the "Guidelines for the Handling of Share Affairs of Publicly Offered Companies".

Article 8 : Registration for the transfer of shares shall not be done within sixty days preceding the date of a shareholders' annual general meeting, thirty days preceding the date of a shareholders' special meeting or five days preceding the designated reference date for the distribution of dividends, bonus or other interests.

Chapter III Shareholders' Meeting

Article 9 : There are two types of shareholders' meeting: annual general meeting of shareholders and special meeting of shareholders. The annual general meeting of shareholders shall be convened at least once a year within six months after the end of every fiscal year. Except as otherwise provided for by the Company Act, special meetings of shareholders shall be convened as necessary by the board of Directors.

Article 10 : When the Company convenes shareholders' meetings, the shareholders may exercise their voting rights in writing or by way of electronic transmission. A shareholder who is unable to attend the shareholders' meeting may appoint another person to attend as his/her/its proxy in accordance with Article 177 of the Company Act by using the proxy form provided by the Company to set forth the scope of authorization. Except as otherwise prescribed by the Company Act, the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies as promulgated by the regulatory authority shall apply to attendance by proxy.

Article 11 : Except as otherwise prescribed by laws, each share of the Company is entitled to one vote.

Article 12 : Except as otherwise required by the Company Act, a proposal shall be adopted with the approval of more than half of the votes of the shareholders present at the shareholders' meeting attended by shareholders representing more than half of the total issued and outstanding shares of the Company.

Chapter IV Directors and Board of Directors

Article 13 : The Company shall have five to nine Directors. The board of Directors shall be elected from a list of nominated candidates at the shareholders' meeting for a term of three years. Re-elected Directors may serve consecutive terms. The shareholding ratio of all Directors collectively shall be subject to rules provided by the securities regulatory authority.

In accordance with Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of all independent directors and shall not be less than three in number. The Audit Committee and its members are responsible for carrying out the duties and responsibilities of the supervisors under the Company Law, the Securities and Exchange Act and other relevant laws and regulations.

Article 13-1 : In accordance with Article 14-2 of the Securities and Exchange Act, the Company shall have no less than two independent directors and no less than one-fifth of the total number of directorships in the preceding Article. The professional qualifications, shareholdings, restrictions on concurrent employment, nomination and election of independent directors and other matters to be complied with shall be in accordance with the Company Law and the relevant regulations of the competent securities authorities.

Article 14 : The board of Directors shall consist of Directors. The chairman of the board shall be elected from and among the Directors by the approval of more than half of the Directors present at a meeting attended by at least two thirds of the Directors holding office. The chairman of the board shall have the authority to represent the Company.

Article 14-1 : If a Director is unable to attend a meeting for any reason, such Director may appoint another Director as his or her proxy by using a letter of appointment setting forth the scope of authorization with respect to each subject to be discussed at the meeting. A Director may only be appointed as proxy by one other Director.

Article 14-2 : In calling a board of Directors' meeting, a notice setting forth the item(s) to be discussed at the meeting shall be given to each Director at least seven days prior to the scheduled meeting date, unless in the event of emergency, Directors' meeting may be convened at any time. Conventions of meetings under the preceding paragraph may be done in writing or by facsimile or electronically.

Article 15 : If the chairman of the board of directors is absent from work or is unable to exercise his or her duties for any reason, his or her proxy shall be governed by Article 208 of the Company Act.

Article 16 : The compensation of all directors is authorized to be determined by the board of directors in accordance with the usual standards of the industry.

Chapter V Officers

Article 17 : The Company may have a president whose appointment, dismissal and compensation shall be resolved by the Board of Directors.

Chapter VI Accounting

Article 18 : After each fiscal year, the board of Directors shall prepare the following reports and submit the reports to the annual general shareholders' meeting for ratification in accordance with the legally mandated procedures: (1) Business report. (2) Financial statement. (3) Proposal for Distribution of profits or Deficit Compensation.

Article 19 : If the Company makes a profit for the year, the Company shall set aside 5% to 12% for employee compensation and not more than 3% for directors' compensation, provided that the Company shall first set aside an amount to cover the accumulated losses. The above-mentioned profit for the year refers to the pre-tax net income for the year before the distribution of employee compensation and directors' compensation. Employee compensation may be in the form of stock or cash and may be paid to employees of affiliated companies who meet certain criteria.

Chapter VII Miscellaneous

Article 20 : The Company shall set aside 10% of the Company's annual net income, if any, as legal reserve, except when the legal reserve has reached the amount of paid-in capital, in addition to paying taxes and making up for prior years' deficits. If there is any unappropriated earnings for the year, the Board of Directors shall prepare a proposal for distribution of earnings and submit it to the shareholders for resolution.

The Company's dividend policy will take into account the Company's environment and growth stage, future capital requirements and long-term financial planning, and the Board of Directors will prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for approval.

Since the Company is in a stage of growth and needs to continue to invest capital due to the rapid changes in the industry trend and development, the Company will allocate 15% or more of the distributable earnings as dividends to shareholders, depending on the Company's working capital position and considering the shareholders' demand for cash inflows, provided that if the distributable earnings are less than 20% of the paid-in capital, they may not be distributed. Cash dividends may not be less than 10% of the total dividends paid for the year, but if the amount of cash dividends is less than \$0.1 per share, the dividends may be paid entirely in stock instead.

Article 21 : Matters not addressed in these Articles of Incorporation shall be governed by the Company Act.

Article 22 : These Articles of Incorporation are adopted on March 31, 1981.

The first amendment was made on May 13, 1981.

The second amendment was made on January 17, 1987.

The third amendment was made on October 30, 1990.

The fourth amendment was made on August 20, 1993..

The fifth amendment was made on November 1, 1993.

The sixth amendment was made on November 1, 1994.

The seventh amendment was made on February 15, 1995.

The eighth amendment was made on August 1, 1995.

The ninth amendment was made on September 10, 1996

The tenth amendment was made on July 5, 1997.

The eleventh amendment was made on October 18, 1997.

The twelfth amendment was made on June 17, 1998.
The thirteenth amendment was made on April 26, 1999.
The fourteenth amendment was made on April 6, 2000.
The fifteenth amendment was made on June 15, 2001.
The sixteenth amendment was made on June 28, 2002.
The seventeenth amendment was made on June 19, 2003.
The eighteenth amendment was made on June 15, 2004.
The nineteenth amendment was made on September 12, 2006.
The twentieth amendment was made on June 21, 2007.
The twenty-first amendment was made on June 25, 2010.
The twenty-second amendment was made on June 28, 2011.
The twenty-third amendment was made on June 27, 2012.
The twenty-fourth amendment was made on June 6, 2014.
The twenty-fifth amendment was made on June 23 2015.
The twenty-sixth amendment was made on June 22, 2016.
The twenty-seventh amendment was made on June 18, 2019.
The twenty-eighth amendment was made on June 18, 2020.
The twenty-ninth amendment was made on July 20, 2021.

Appendix 3

Cosmo Electronics Corporation The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

Unit : NT\$

Item		Year	2022
Opening paid-in capital (NT\$)			1, 616, 233, 780
Dividend distribution for the year (Note 1)	Cash dividends per share (NT\$)		0
	Dividends per share of capitalization of retained earnings (shares)		0
	Dividends per share of capitalization of capital reserves (shares)		0. 04
Changes in operating performance	Operating income		Note 2
	Increase (decrease) in operating income over the same period last year		
	Profit after tax		
	Increase (decrease) in profit after tax over the same period last year		
	Earnings per share (NT\$)		
	Ratio of increase (decrease) in earnings per share over the same period last year		
	Annual average return on investment (inverse of annual average PE ratio)		
Proposed mandatory earnings per share and P/E ratio	If the capitalization of retained earnings is fully transferred to cash dividends	Proposed earnings per share (NT\$)	Note 2
		Proposed average annual return on investment	
	If no capitalization of capital reserves is made	Proposed earnings per share (NT\$)	
		Proposed average annual return on investment	
	If no capitalization of capital reserves is made and the capitalization of retained earnings is fully transferred to cash dividends	Proposed earnings per share (NT\$)	
		Proposed average annual return on investment	

Note 1: The estimated distribution of shares for fiscal 2022 is based on the resolution of the board of directors' meeting on May 11 2022, and will be processed in accordance with the relevant regulations after the approval of this year's regular shareholders' meeting.

Note 2: The Company's financial forecast for fiscal 2022 is not publicly available and therefore no disclosure is required.

Appendix 4

Cosmo Electronics Corporation Shareholding of Directors

Book closure date: April 26, 2022

Title	Name	Date Elected	Shareholding when elected		Current Shareholding	
			shares	%	shares	%
Chairman	TSAI, NAI-CHENG	July 20, 2021	476,190	0.30%	491,158	0.30%
Board of Director	DIGICROWN TECHNOLOGIES LTD Representative:Chao Chia-chi	July 20, 2021	14, 566, 775	9. 32%	15, 002, 531	9. 28%
Board of Director	DIGICROWN TECHNOLOGIES LTD Representative:Ho Wei-Chuan					
Board of Director	DIGICROWN TECHNOLOGIES LTD Representative: Hung Yu-han					
Board of Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Liu Chin-mu	July 20, 2021	1, 075, 217	0. 69%	1, 107, 381	0. 69%
Board of Director	Bank SinoPac as Custodian for Fine Asia Int'l Ltd. Investment Account Representative: Lee Chih-chin					
Independent director	Wu Yong-fu	July 20, 2021	0	0. 00%	0	0. 00%
Independent director	Xu Bo-yu	July 20, 2021	0	0. 00%	0	0. 00%
Independent director	Li Dan	July 20. 2021	0	0. 00%	0	0. 00%
Total shares hold by the Board of Directors			16, 118, 182	10. 31%	16, 601, 070	10. 27%

Note 1: In accordance with Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies” the total number of shares of registered stock to be held by all directors of the Company shall not be less than 9,697,402 shares in issue.

Note 2: The term of office of directors is three years, and the term of office is from July 20, 2021 to July 19, 2024