

(III) Deviation and causes of deviation from the Corporate Governance

Best-Practice Principles for TWSE/TPEX Listed Companies:

| Evaluation Item | Performance | | | Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies |
|---|-------------|----|--|---|
| | Yes | No | Summary | |
| I. Has the company established and disclosed its corporate governance principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”? | V | | We have established the “Corporate Governance Best-Practice Principles”. Please visit the Market Observation Post System (MOPS) or our corporate website for details. | No difference |
| II. Shareholding structure and shareholders’ interests | | | | |
| (I) Has the company implemented a set of internal procedures to handle shareholders’ suggestions, queries, disputes, and litigations? | V | | We have appointed corporate spokespersons and deputy spokespersons to take charge of the related matters, and the legal unit and legal consultant will take charge of law-related matters. | No difference |
| (II) Does the Company retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders? | V | | We have also assigned a professional shareholder services agent to take charge of shareholder-related matters. Additionally, a shareholder liaison has been appointed to keep close contacts with the professional shareholder services agent to keep informed of shareholder-related issues at all times. | No difference |
| (III) Has the company established and | V | | We have established the | No difference |

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| <p>implemented risk management and firewall mechanisms between its affiliates?</p> <p>(IV) Has the company established internal policies that prevent insiders from trading securities against non-public information?</p> | V | | <p>“Procedures for Trading with Related Parties, Specific Companies, and Group Affiliates” and management procedures of internal control and internal audit to effectively control risks. We have established the “Procedures for Ethical Management and Guidelines for Conduct” stipulation the prohibition of insider trading, the “Procedures for Handling Material Inside Information” and other internal controls of management for “management of insider trading prevention” to protect and maintain the rights and interests of investors and the Company.</p> | No difference |
| <p>III. Composition and duties of the Board</p> <p>(I) Has the board established and implemented diversified policies and specific and reasonable goals?</p> <p>(II) Apart from establishing the Remuneration Committee and Audit Committee by law,</p> | V | | <p>Board members have different professional backgrounds and different areas of specialization to ensure the robust Board structure.</p> <p>We have established the Compensation Committee and Audit Committee by law</p> | <p>No difference</p> <p>No difference</p> |

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| <p>has the company voluntarily establish other functional committees?</p> <p>(III) Has the company established a set of policies and assessment tools to evaluate the Board's performance, conducted the performance evaluation each year and periodically, reported the evaluation results to the Board, and use them for the reference for determining the remuneration and future nomination of individual directors?</p> | V | | <p>and will establish other functional committees as necessary.</p> <p>The regulations and methods for Board performance evaluation established by the Board on November 13, 2019 stipulate that performance evaluation shall be implemented on the Board, board members, Audit Committee, and Remuneration Committee at least once a year. The Remuneration Committee establishes and periodically reviews the policy and system for performance evaluation of directors and officers and their salary and remuneration.</p> | No difference |
| <p>(IV) Does the company periodically evaluate the independence of CPAs?</p> | V | | <p>Each year the Company evaluates the independence(Note 1) of CPAs and requests from the Statement of Independence Compliance. The final</p> | No difference |

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| | | | evaluation results are reported to the Board. | |
| IV. Has the company assigned an appropriate number of competent governance personnel and a chief governance officer to handle matters in relation to corporate governance? | V | | The Finance Division assigns a special staff member to handle governance-related affairs. With over three years of experience in financial, service, and agenda management, this staff member provides directors with data required for business practice, prepares matters relating to board meeting and AGM/EGM, handles company registration and change registration, produces the minutes of board meetings and AGM/EGM, and handles governance-related affairs. | No difference |
| V. Has the company established communication channels with stakeholders, created a dedicated stakeholder section on its corporate website, and properly addressed material corporate social responsibility issues that concern stakeholders? | V | | We have established an ESG section on the corporate website to provide stakeholders with the relevant information. We also maintain sound relationships with suppliers, customers, financial institutions, and other stakeholders and uphold business ethics and integrity to create win-win for all parties. | No difference |
| VI. Does the company engage a professional | V | | We have engaged the Department of Stock affairs | No difference |

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| shareholder services agent to handle AGM affairs? | | | Agency of Taishin Securities Co., Limited as the Company's professional shareholder services agent and to take charge of the Company's AGM. | |
| VII. Information disclosure | | | | |
| (I) Has the company established a website to disclose financial, business, and corporate governance information? | V | | We have established an investor section on the corporate website to disclose the Company's financial, business, and material information, and governance-related information will be published soon. | No difference |
| (II) Has the company adopted other means to disclose information (e.g., erection of an English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, posting investor conferences on the corporate website)? | V | | We have set up an English website and assigned special staff to collect and publish various types of information over this website. We have assigned spokespersons by law and reported them to the competent authorities. We have also posted the information of investor conferences on the corporate website. | No difference |
| (III) Does the company publish and report the annual financial report within two months at the end of each accounting year and | | V | Does the company periodically publish the annual financial report and | Published and reported by the regulatory time-limit. |

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| publish the financial statements for Q1, Q2, and Q3 and monthly operation overview by the prescribed time-limit? | | | the financial statements for Q1, Q2, and Q3 and monthly operation overview as requested by the competent authorities? | |
| VIII. Other important information useful to understand the performance of corporate governance? | V | | <p>1. Employee rights and interests: Apart from treating employees with sincerity and integrity, we have well-established benefit and training systems and develop mutual trust with employees.</p> <p>2. Employee care: A staff welfare committee has been established to take good care of employees and offer benefits including funding for employee club activities; allowances for weddings, funerals, festivities, and birth of employees; and funding for employee travels.</p> <p>3. Investor relations: Special staff have been assigned to handle investor relations and investor recommendations.</p> <p>4. Supplier relations: Apart from upholding the commitment for suppliers and stakeholders and</p> | No difference |

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| | | | <p>avoiding unnecessary extension of payment, we also maintain a sound relationship with suppliers.</p> <p>5.Stakeholder relations: We respect and maintain the legal rights and interests of stakeholders.</p> <p>6.Continuing education of directors: In addition to their professional backgrounds and field management and operation experience in the industry, directors also take continuing education courses. (Note 2)</p> <p>7.Risk management policies and risk assessment standards: Besides establishing various internal regulations, we also engage with risk management and assessment.</p> <p>8.Customer policy: We enhance quality improvement and technology upgrading to provide customers with the best products and services.</p> <p>9.Directors and officers liability insurance (D&O): Each year we purchase D&O for directors</p> | |

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| | | | according to the Articles of Incorporation. | |
| <p>IX. Please describe the improvements made according to the results of Corporate Governance Evaluation results of the most recent year published by the TWSE Corporate Governance Center and propose measures for issues pending for improvement.</p> <ol style="list-style-type: none"> 1. Improvements made in the most recent year: We have appointed the chief governance officer (CGO) to take charge of matters relating to corporate governance. 2. Measures for issues pending for improvement: <ol style="list-style-type: none"> (1) Invite directors to attend AGM to encourage directors to participate in AGM. | | | | |