

**Gallant Precision Machining Co., Ltd.**

**2022 Annual General Shareholders' Meeting Minutes**

**Time : 9:00a.m., June 8, 2022, Wednesday.**

**Shareholders meeting will be held by means of : Physical shareholders meeting**

**Place: No.1, Gongye E. 2nd Rd., East Dist., Science-Based Industrial Park, Hsinchu, 30075, Taiwan.( Einstein Hall, HSP Link)**

**The number of shares of attendance:**

Attending shareholders and proxy represented 93,293,962 shares (including 3,476,552 shares which attended through electronic voting). Percentage of shares by shareholders present in person or by proxy: 58.08%.

**Directors present:**

Jason Chen, Hsu, Frank Liang, C SUN MFG. LTD. Representative: Ronald H. Chen, Hsu Hung-Ming (Except for Jason Chen, all have participated in the meeting live online)

**Independent Director present:**

Lo Wei, Jia-Ching Tung, Chen, Yi-Mei  
(All have participated in the meeting live online)

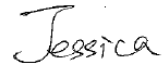
**Others present:**

Auditor Wu, Wei-Hao, Lawyer Alice Chiang

**Chairman:** Mr. Jason Chen



**Recorder:** Ms. Jessica Tseng



**Call Meeting to Order:**

The aggregate shareholding of the shareholders present constituted a quorum. The Chairman called the meeting to order.

**I. Report Items**

**1. To report on the business of the Company in 2021.**

Explanation :

The 2021 Business Report is attached hereto as Attachment 1.

**2. Audit committee's review report for 2021.**

Explanation :

- (1) The Company's 2021 annual account was certified by LI, TIEN-YI and Chiang, Tsai-Yen, Certified Public Accountants of PWC and reviewed by the Audit Committee, and the auditor's report and Audit Committee's review report were issued, respectively.
- (2) The member of the Audit Committee is hereby invited to read out its review report.
- (3) For your approval.

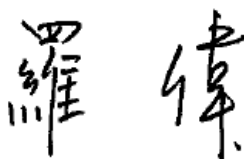
## Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Earning Distribution Proposal for the year of 2021. LI, TIEN YI and Chiang, Tsai-Yen, Certified Public Accountants of PWC, have audited the Financial Statements. The 2021 Business Report, Financial Statements, and Earning Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Gallant Precision Machining Co., Ltd., as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law.

To

The 2022 General Shareholders' Meeting of Gallant Precision Machining Co., Ltd.

Chairman of the Audit Committee :



March 16, 2022

### **3. To report on the distribution of employees' and directors' remuneration for 2021.**

#### Explanation :

As a result of the resolution of the Board of Directors, the Company shall distribute an employee's bonus of NT\$30,045,209 and directors' remuneration of NT\$5,092,408 in cash which are within the limits stipulated in the Articles of Association. The amount of the aforesaid remuneration proposed to be distributed is the same as the amount of the book.

### **4. Report on amendments to the Regulations of buyback share transfer to employee.**

#### Explanation :

- (1) The Regulations of First Buyback Share Transfer to Employee in 2020 was approved on March 24, 2020.
- (2) According to Article 28-2 of the Securities and Exchange Act, amendments were made to Article 3 and Article 10 of the Regulations of First Buyback Share Transfer to Employee in 2020 of the Company.
- (3) Amend Article 4 and Article 5 of the "Regulations on Transfer of Shares Initially Bought Back to Employees" of year 2020 of the Company pursuant to Official Letter Zheng-Qi-(Jiao)-Zi No. 1110380758 on March 3, 2022 from the Securities and Futures Bureau of the Financial Supervisory Commission.
- (4) For the comparison table for the amended provisions, please refer to Attachment 2.

### **5. Report on amendments to the Corporate Social Responsibility Code of Practice.**

#### Explanation :

- (1) Amendments were made to the Principles according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" amended by Order Jin-Guan-Zheng-Fa-Zi No.

1100373495 issued by the Financial Supervisory Commission (FSC) on December 6, 2021.  
 (2) For the comparison table for the amended provisions, please refer to Attachment 3.

## II. Recognition Items

### 1. To accept 2021 Business Report and Financial statements.

(proposed by the Board of Directors)

Explanation :

- (1) The 2021 financial statements of the Company were approved by the Board of Directors on March 16, 2022 and audited by the accountants, LI, TIEN YI and Chiang, Tsai-Yen of PWC Taiwan, and were sent to the Audit Committee, and an audit report was issued accordingly.
- (2) For the 2021 Business Report, Independent Auditor's Report, and the 2021 Financial Statements, please refer to Attachments 1 and 4.

Resolution : Approved and acknowledged as proposed by Board of Directors.

Voting Result: Attend the voting rights of shareholders when deduction of restricted voting rights 74,291 shares total shares 93,219,671 shares (including 3,476,552 shares voted via electronic transmission)

Voting Results	%of the total representation at the time of voting
Votes in favor : 92,707,317 votes (including 3,018,453 shares voted via electronic transmission)	99.45%
Votes against : 32,822 votes (including 32,822 shares voted via electronic transmission)	0.04%
Votes abstained : 479,532 votes (including 425,277 share voted via electronic transmission)	0.51%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%

### 2. To approve the proposal for the distribution of 2021 earnings.

(proposed by the Board of Directors)

Explanation :

(1) Earnings Distribution Proposal :

Items	Amount in NT\$
	Amount
Unappropriated retained earnings from previous years	79,870,107
Plus: Reversal of special reserve	21,840,099
Less: Recognition of changes in ownership interest in subsidiaries	(39,173,785)
Plus: change of remeasurements on defined benefit plan	1,993,727
Plus: Net Income of 2021	246,089,218
Less: 10% Legal Reserve	(23,074,926)
Retained Earnings Available for Distribution as of December 31, 2021	287,544,440
Distribution Item:	
Cash Dividends to Common Share Holders (NT\$1.4 per share)	(224,872,402)

Stock Dividends to Common Share Holders	0
Unappropriated Retained Earnings	62,672,038

- (2)The calculation of cash dividend rate of the earnings distribution is based on shares of the Company that have the right to participate in the distribution by March 8, 2022.
- (3)The cash dividend distribution is rounded up to NT\$1; the sum of fractional amounts less than NT\$1 under the distribution shall be included in the Company's other income.
- (4)If the number of shares outstanding and the corresponding cash dividend rate are changed in the future due to the Company's share repurchase or transfer and conversion of treasury stocks, the Company will propose to the general shareholders' meeting to authorize the Board of Directors to handle and adjust accordingly.

**Resolution** : Approved and acknowledged as proposed by Board of Directors.

Voting Result: Attend the voting rights of shareholders when deduction of restricted voting rights 74,291 shares total shares 93,219,671 shares (including 3,476,552 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor : 89,999,329 votes (including 3,022,465 shares voted via electronic transmission)	96.54%
Votes against : 32,806 votes (including 32,806 shares voted via electronic transmission)	0.04%
Votes abstained : 3,187,536 votes (including 421,281 share voted via electronic transmission)	3.42%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%

### III. Discussion Items

#### 1. Cash distribution from capital reserve. (proposed by the Board of Directors)

##### Explanation :

- (1) The Company intends to issue cash dividends amounting to NT\$16,062,314 from the capital reserve arising from the premium received from the issuance of stock at a price exceeding the par value according to Article 241 of the Company Act; according to the calculation based on the number of 160,623,144 ordinary shares (deducting 4,513,000 treasury shares), the distribution is proposed be NT\$0.1 in cash per share.
- (2) The cash dividend distribution is rounded up to NT\$1; the sum of fractional amounts less than NT\$1 under the distribution shall be included in the Company's other income.
- (3) After the proposal is approved by the annual shareholders' meeting, the Board of Directors is authorized to set the base day for the cash dividend distribution for the distribution.
- (4) Subsequently, when amendments are required for the proposal due to the changes in the payout ratio of shareholders resulting from the number of shares available for the cash dividend distribution being affected due to the repurchase of shares, the transfer or cancelation of treasury shares, or issuance of new shares for the capital increase in cash, the Company intends to propose to the shareholders' meeting to authorize the Board of Directors to handle and make adjustments at its full discretion.

**Resolution** : Approved and acknowledged as proposed by Board of Directors.

Voting Result: Attend the voting rights of shareholders when deduction of restricted voting rights 74,291 shares total shares 93,219,671 shares (including 3,476,552 shares voted via electronic transmission)

Voting Results	%of the total representation at the time of voting
Votes in favor : 92,726,302 votes (including 3,037,438 shares voted via electronic transmission)	99.47%
Votes against : 26,834 votes (including 26,834 shares voted via electronic transmission)	0.03%
Votes abstained : 466,535 votes (including 412,280 share voted via electronic transmission)	0.50%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%

#### 2. To revise the Procedures for Acquisition and Disposal of Assets.(proposed by the Board of Directors)

##### Explanation :

- (1) Amendments were made to the Procedures according to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" amended by Order Jin-Guan-Zheng-Shen-Zi No. 1110380465 issued by the FSC on January 28, 2022.
- (2) For the comparison table for the amended provisions of the "Procedures for Acquisition and Disposal of Assets," please refer to Attachment 5.

**Resolution** : Approved and acknowledged as proposed by Board of Directors.

Voting Result: Attend the voting rights of shareholders when deduction of restricted voting rights 74,291 shares total shares 93,219,671 shares (including 3,476,552 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor : 92,718,777 votes (including 3,029,913 shares voted via electronic transmission)	99.46%
Votes against : 21,357 votes (including 21,357 shares voted via electronic transmission)	0.02%
Votes abstained : 479,537 votes (including 425,282 share voted via electronic transmission)	0.52%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%

### 3. To revise the Articles of Incorporation. (proposed by the Board of Directors)

Explanation :

- (1) Amendments were made to the Articles according to the actual operational requirements of the Company and Article 172-2 of the Company Act.
- (2) For the comparison table for the amended provisions of the “Articles of Association,” please refer to Attachment 6.

**Resolution** : Approved and acknowledged as proposed by Board of Directors.

Voting Result: Attend the voting rights of shareholders when deduction of restricted voting rights 74,291 shares total shares 93,219,671 shares (including 3,476,552 shares voted via electronic transmission)

Voting Results	% of the total representation at the time of voting
Votes in favor : 92,567,406 votes (including 2,878,542 shares voted via electronic transmission)	99.3%
Votes against : 170,735 votes (including 170,735 shares voted via electronic transmission)	0.18%
Votes abstained : 481,530 votes (including 427,275 share voted via electronic transmission)	0.52%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%

### 4. To revise the Rules and Procedures of the Shareholders’ Meeting. (proposed by the Board of Directors)

- (1) Amendments are made according to paragraph 2, Article 182-1 of the Company Act.
- (2) In response to the amendments to Article 170-2 of the Company Act that allow public companies to convene shareholders’ meetings through video conferences, the FSC amended and issued relevant provisions under the “Regulations Governing the Administration of Shareholder Services of Public Companies” on March 4, 2022, adding requirements related to shareholders’ meetings by way of video conferences. To align with the demand in the digital era and provide channels that are convenient for shareholders to participate in shareholders’ meetings, the Company made amendments to relevant

provisions in the Company's Rules of Procedure for Shareholders Meetings with reference to the amended "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" announced by the Taiwan Stock Exchange (TWSE) on March 8, 2022.

(3) For the comparison table for the amended provisions of the "Rules of Procedure for Shareholders Meetings" of the Company is enclosed, please refer to Attachment 7.

Added from the lawyer Alice Chiang : The second point of this case is that the company was misplanted, and the law if followed by Article 172-2 of the Company Act.

**Resolution** : Approved and acknowledged as proposed by Board of Directors.

Voting Result: Attend the voting rights of shareholders when deduction of restricted voting rights 74,291 shares total shares 93,219,671 shares (including 3,476,552 shares voted via electronic transmission)

Voting Results	%of the total representation at the time of voting
Votes in favor : 92,718,780 votes (including 3,029,916 shares voted via electronic transmission)	99.46%
Votes against : 21,368 votes (including 21,368 shares voted via electronic transmission)	0.02%
Votes abstained : 479,523 votes (including 425,268 share voted via electronic transmission)	0.52%
Votes invalid : 0 votes (including 0 shares voted via electronic transmission)	0.00%

#### IV. Special Motions

None.

#### V. Meeting Adjourned

Meeting ended at 09:35a.m..

**Attachment 1 :**

**Gallant Precision Machining Co., Ltd.**

**2021 Business Report**

In 2021, the total operating income of the Company was NT\$3,094,707 thousand, showing an increase of 26.12% over last year. In terms of profit, the net profit after tax was NT\$246,089 thousand, an increase of 64.6% compared with the last year. The gross profit margin decreased by 3.23% from last year and the net profit per share was NT\$1.54.

(1) Summary of the Company's financial income and expense and profitability

Financial analysis data		For 2021
Debt to asset ratio (%)	(%)	48.53
Long-term funds to fixed assets ratio (%)	(%)	635.16
Return on total assets	(%)	5.54
Return on shareholders' equity	(%)	10.56
Percentage to paid-in capital (%)	Operating profit	4.59
	Pre-tax net profit	13.22
Net profit margin	(%)	7.95
Earnings per Share	(NTD)	1.54

(2) Products that have been developed by the Company in 2021

R&D Item (Processing Technology)	Names of machine developed
	● Overhead Hoist Automatic Guided Vehicle
	● Automatic Guided Forklift
	● 8"/12" Wafer 2D/3D Defect Inspection & Metrology
	● AI Defect Inspection and classification System
	● Picosecond Imaging Circuit Analysis II
	● Intelligent Diagnosis and Preventive Maintenance System II
	● Dual Spindle strip Grinding

**II. 2022 Business Plan Summary**

A. Annual Operating Policy

1 Business Aspect

- Differentiation, diversification, expansion next generation display industry.
  - Extend, promote and branding intelligent automation industry.
  - Refine, combine, focus and innovate semiconductor industry.
- (1) The foundation of the company is the research and development technology of the existing display equipment. The foreign technical cooperation, focus and deeply development of FPD next generation high value-added equipment drive the company to diversify and manage in a sustainable way in order to expand the future in the display industry innovation and progress.
  - (2) We continue to differentiate existing products (such as the introduction of IDMS) and optimize cost strategies to increase product competitiveness and profitability. We also continue to upgrade existing core technologies and expand new FPD markets (Micro / Mini-LED), and extend the market niche of next generation display.
  - (3) We take profit as the priority and master the current key advanced technology. Based on our electromechanical and software integration technology and QDTCSS, the intelligent production management system is the backbone to build a quality production system in the smart factory, intelligent logistics and intelligent dynamic process equipment. We continue to expand the results of intelligent automation, and pool our resources to provide strategic partners and key industry representative customers with intelligent automation integration solutions to help them achieve their smart manufacturing goals.
  - (4) For smart logistics, improve developing potential customers and promote to customers for their other requirements. For IDMS, strengthen the promotion of IoT system products for various industries, introduce key industrial equipment, and provide AOI + AI service solutions to improve our brand image and customer value.
  - (5) Through technology introduction/cooperation, we link the needs of our partners and customers to develop high value-added advanced detection technology in the early stage of semiconductor, and improve the detection and flattening of the packaging process in the middle and final stages. Moreover, we focus on the performance of existing IC board products and product lines to expand customer base.
  - (6) We focus on core semiconductor technology, innovation and connection of international research and development resources. We understand Taiwan semiconductor market and provide customers with process solutions. Quality is the priority to us. We improve the overall competitiveness and grasp the market trends in order to improve customer competitiveness and differentiation.
  - (7) have passed the ISO 9001 (Quality Management System), ISO 45001 (Occupational Health and Safety Management Systems), and ISO 27001 (Information Security Management System) certifications to accurately comply with international management procedures and standards, protect customers' interests with a higher level of standard for the quality management, overall safety and occupational management of plants, and information security management, regulate employees' behaviors and execution capacity, and provide for the overall quality of suppliers.
  - (8) We use the company's professional manufacturing brand image and popularity, and through

effective management, to develop OEM/ODM services, win international orders, reduce the impact of industrial cycle, promote customer alliance to other industrial areas and expand revenue sources.

- (9) We make good use of the existing after-sales service mechanism, deepen the relationship with customers, help improve the production efficiency of the factory, achieve long-term business opportunities with value-added services, and seek a win-win strategy for customers and companies.
- (10) We continue to expand and cooperate with world-class companies in different industries, become long-term automation equipment partners, accelerate the research and development of new products, help customers launch new products timely and enter new markets, and build a long-term stable and profitable system.
- (11) For our sustainable development, we make arrangements in three major aspects of environmental, social, and governance. GPM adheres to the sustainable operating philosophy and aims at realizing sustainable corporate operations, long-term partnerships with customers and communities, and the performance of responsibilities as a corporate citizen. We established solar power generation systems, made use of green energy for energy saving and carbon dioxide reduction, and applied for the ISO 14064 (Greenhouse Gases Management System) to further align ourselves with the goal of “Carbon Neutral & Net Zero Emission.” Meanwhile, we established the Corporate Sustainability Committee in charge of the promotion of matters related to corporate social responsibility (CSR) and ethical corporate management. GPM will continue focusing on sustainable operations and implementing its responsibilities as a corporate citizen and grow together with its employees by emphasizing people-oriented ideas to jointly create maximum value for the Company, customers, and shareholders.
- (12) To reinforce our internal information security, the Company established the Information Security Committee to promote and implement information security operations and applied for ISO 27001 international information security certification to effectively prevent the risk of invasion by external hackers and internal illegal stealing behaviors so as to safeguard the overall interests of the Company and avoid any leakage of employees’ R&D results.

## 2 R&D Aspect

Strengthen the development of the Company's eight core technologies: (1) grinding technology (2) wet process technology (3) AOI technology (4) lamination and peeling (5) Testing technology (6) Measurement technology (7) intelligent automation technology (8) Artificial intelligence technology and other core technologies.

Integrate products in different areas and create value-added, expand the core technology in application in displays, semiconductors, IC Substrate, Smart Factory, Smart Machine and Smart Transportation.

The Company’s plans to develop following products in 2022:

R&D Item (Processing Technology)	Names of machine to be developed
	● MINI Inspection Automatic Guided Vehicle
	● Automatic Guided Vehicle Visual Guidance System
	● Emission Microscopy + Optical Beam Induced Resistance Change
	● Picosecond Imaging Circuit Analysis III
	● High-quality Tension-free Lamination System
	● Disk Pad Cleaner for Car

B. The Company's forecast on sales volume and its basis for 2022:

Unit: set

Main products	2022 Budget
Display processing equipment	199
Semiconductor processing equipment	6,493
Intelligent automation equipment	28

Note: The forecast is based on the customers' forecast, taking into account the market conditions.

C. Important production and marketing policies

- (1) Integrate cross-strait operation system, talents and resources, strengthen the integration of customer management, sales and efficiency, give full play to the comprehensive effect, and continue to promote the mainland market competitiveness.
- (2) Conduct strategic alliance with industry-university-research units and end customers, continuously improve system integration capability and develop new products and technologies in new fields such as display, semiconductor and intelligent automation, to improve marketing efficiency and achieve differentiated niche.
- (3) Strengthen product cost control mechanism, together with design improvement, efficiency improvement and supply chain management, increase orders of high-gross margin products, and ensure reasonable profit of products.
- (4) Continuously promote the intelligence, modularization and standardization of major products, simplify the manufacturing process, improve product function and reliability, and reduce costs.
- (5) Collecting the Company's various real-time production data, analyzing and integrating it with the internal system, and providing information to the decision-making supervisors as a reference for performance.
- (6) To meet the customer demand for fast delivery, effectively control quantity and amount of raw materials and inventory, reduce inventory turnover days and reduce loss on inventory falling price.
- (7) Accelerate installation and acceptance efficiency, improve after-sales service quality to ensure customer satisfaction, establish a win-win service system with customers and continuously strengthen accounts receivable and cash flow management.
- (8) We introduced energy policies related to green energy and carbon emission reduction. We built a solar farm in our plant to sell the power generated to Taipower and establish the energy-saving

and environmental image of the Company, making contributions to the sustainability and renewal of the earth.

### **III. Future Development Strategy:**

- Adopt innovation transformation, market extension, sustainable development as the guiding principle of development strategy.
- Business Aspect
  - Deepen promotion of development of the display industry, semiconductor industry and intelligent automation industry.
  - Extend related products to other foreign markets for business promotion.
  - Enhancing the business opportunities of Taiwanese businessmen returning and decentralized production by international manufacturers.
  - Deeply cultivate the after-sales service market of equipment and components, and grow together with customers.
- Product Aspect
  - Deeply develop core technologies (equipment & processes).
  - Extend core technology for cross-industrial product integration application development.
- Internationalization strategy of diverse talents cultivation.
- GPM formed a G2C business strategic alliance with its partners, C. Sun and GMM, to provide one-stop services for smart production. By integrating the human resources, material resources, and technical resources of multiple companies, we established a robust supply chain system and customer service system that connect all production equipment from upstream to downstream to assist customers in creating maximum value, and in turn, achieving the common belief of price fortification by securing costs, joint creation through mutual efforts, harmony and sharing, and long-term partnerships.

#### **IV. The Impact from the External Competitive Environment, the Regulatory Environment and the Overall Business Environment:**

##### **1. The impact of the external competitive environment**

Due to the two major factors of the China-US trade war and COVID-19 (coronavirus) epidemic, the industrial operating environment is changing rapidly, and the market and product application trends are changing in various ways. Facing the slowdown of business and plant expansion in the display industry worldwide, fierce external competition, and the Chinese government's promotion of localization of equipment, the main source of the company's business in the past, has become increasingly competitive and difficult, constantly testing the adaptability of the company's management team. The Company will continue to strengthen its own product technology and introduce advanced foreign technology to improve the quality and level of product functions and get rid of the low-price competition. We will also develop into different industries such as semiconductor, Micro/Mini LED, and smart manufacturing and expand into markets other than China. In the face of changes in the industry and operating environment, we will also have a stable, accurate, and rapid response capability, and have established a diversified business layout and industry development goals.

##### **2. Regulatory Environment:**

Integrity is deep rooted in the Company's core culture. As a result, the Company has been complying with legal norms, honest, and self-disciplined in its business. In addition to collecting information concerning external regulatory changes at any time for the management's reference, the Company is establishing, reviewing, updating and adjusting its internal management and operational rules and regulations in order to actively respond to various changes in the regulatory environment.

##### **3. Overall Business Environment:**

- (1) At present, the international economy is facing multiple variables. Under the effects of COVID-19, the US-China trade war, and geopolitics, the world is dividing into two major camps (G2). China will no longer be the sole option for manufacturing, which will affect the production locations, stocking model forecast of supply chains for various products, and the delivery operations of supply chains. Based on the current status worldwide, the maladjustment of supply and demand occurred from 2020 to 2021 due to COVID-19, and the entire world was facing material shortages, worker shortages, and jammed transportation last year, in particular, the demand for high-tech products. Looking into 2022, the economic growth indexes and investment activities will continue to grow, and the overall economic outlook in Taiwan for the year remains optimistic. GPM will secure orders leverage on its diverse businesses, arrange more flexible production speed, and combine its robust internal production and sales functions with the long-term cooperating external supply chain system to face the wave of growth and create a brighter future.
- (2) The semiconductor and display technology industries in Taiwan have been through years of hardship in sparing no effort for operations. Due to the outbreak of COVID-19 over the past two years and the US-China trade war in recent years, the effects of geopolitical conflicts regarding Taiwan's location and macroeconomic factors have resulted in the constant

challenges brought to the economy in Taiwan. However, technology industries in Taiwan were supported by the stay-at-home economy. With the effective control over the outbreak led by the government and the new philosophy of supply chain dispersion adopted by major international companies, the manufacturing industry in Taiwan recorded a growth against the trend in 2021,

became the most brilliant economic performances worldwide. The outbreak led to changing patterns. Given the growth in demand for autonomous cars and virtual simulation operations, telecommuting, remote education, and other stay-at-home economic phenomena are becoming the norm, such requirements have driven the development of the demand for the smart EV industry, 3C information industry, and semiconductor industry. In recent years, GPM has been actively investing in its R&D and the joint creation with partners; it is estimated that there will be accomplishments recorded in terms of the semiconductor industry, display industry, and smart auto industry. Facing such changes, we will follow the trend and invest in the growth and development of GPM in high-tech equipment, assuming a key role in the customers' equipment supply chain.

- (3) The COVID-19 and the recent trade war between the US-China have accelerated the speed of partial enterprises in China to move abroad, return to Taiwan, or set up factories in Southeast Asian countries to spread the risk. However, insufficient technicians and surging labor costs in Southeast Asian countries have become an unreversible condition in the region. Due to the demand for the increasing overall quality of local manufacturing plants, replacing human labor with smart-auto systems and equipment is the only solution. With its long-term efforts in the field of equipment manufacturing and the particular advantage of Taiwan in this wave of supply chain readjustment, the Company will attract overseas Taiwanese businesses and international manufacturers to choose us as a cooperative partner.
- (4) GPM, C.Sun, and GMM joined hands and formed the G2C alliance in 2020 for joint creation. The companies have their own expertise in the equipment for semiconductor procedures; through technological connection and integration, the alliance becomes a material force to drive the continual advances in wafer production, allowing the outstanding performances recorded by the Company in terms of its operating income.
- (5) In addition, AI, 5G, AR/VR, Metaverse, IoT, and Big Data facilitated a more comprehensive smart auto application. GPM possesses technologies for the solutions of automated equipment application procedures that span across diverse technology industries. In recent years, GPM joined forces with a world-renowned manufacturer in major industries and gained substantial achievements in terms of the integration of smart auto solutions.
- (6) Looking ahead, with the excellent management team, the professional technical ability, and all the colleagues' effort, the Company will achieve its goals and obtain the best operating results.

Jessica

Cheng-Hsin (Jason), Chen  
Chairman

Cheng-Hsin (Jason), Chen  
President

Chia-Ju (Jessica), Tseng  
Accounting Manager

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Attachment 2 :

Gallant Precision Machining Co., Ltd

Comparison Table for the Regulations of first buyback share transfer to employee in 2020

No.	Amended Provision	Current Provision	Reason for Amendment
Article 3	The shares repurchased this time may be transferred to employees one or several times within five years from the date of repurchase of shares in accordance with the regulations.	The shares repurchased this time may be transferred to employees one or several times within three years from the date of repurchase of shares in accordance with the regulations.	Amended according to Article 28-2 of the Securities Exchange Act
Article 4	(Eligibility requirements for transferees) All the full-time employees of the company and its subsidiaries who are employed on the base date of the subscription (the “subsidiary” refers to subsidiaries at home and abroad who directly or indirectly hold more than 50% of the voting shares of the same invested company) can enjoy the subscription qualification according to the number of subscription shares set in Article 5 of the regulation after being submitted to and approved by the board of directors.	(Eligibility requirements for transferees) All the full-time employees of the company and its subsidiaries who are employed on the base date of the subscription (the “subsidiary” refers to subsidiaries at home and abroad who directly or indirectly hold more than 50% of the voting shares of the same invested company) can enjoy the subscription qualification according to the number of subscription shares set in Article 5 of the regulation. If the assignee resigns between the employee's subscription base date and the subscription payment deadline, he/she will be disqualified from the subscription, and the chairperson will negotiate with other employees to subscribe.	Amended according to Letter Zheng-chi-(jiao)-zi No. 1110380758 issued by the Securities and Futures Bureau, Financial Supervisory Commission, on March 3, 2022
Article 5	(Number of shares available for subscription by employees) <u>The company establishes the weights for an employee’s subscription based on the employee’s job grade, year of services, particular contributions to the company and other standards, taking into account the total number of repurchased shares held by the company and</u>	(Procedures for transfer of shares) The number of shares may be subscribed by the employee, and the chairperson may be authorized to specify the number of shares to be subscribed by the employee, taking into account such criteria as the employee's grade, length of service and special contribution to the	Amended according to Letter Zheng-chi-(jiao)-zi No. 1110380758 issued by the Securities and Futures Bureau, Financial Supervisory Commission, on March 3,

	<p><u>the cap for the number of subscription by a single employee on the base day of subscription; the actual subscription eligibility and subscription amount shall be determined by the board of directors through resolutions. However, subscribers who are also managerial personnel shall be reported to the remuneration committee for discussion and submitted to the board of directors for resolution; those who are not managerial personnel shall be reported to the audit committee for discussion and submitted to the board of directors for resolution.</u></p>	company.	2022
Article 10	<p>The company shall transfer all the shares within five years from the date of the repurchase. The portion not transferred within the time limit shall be deemed as the company's unissued shares and shall be registered to eliminate share changing in accordance with the law.</p>	<p>The company shall transfer all the shares within three years from the date of the repurchase. The portion not transferred within the time limit shall be deemed as the company's unissued shares and shall be registered to eliminate share changing in accordance with the law.</p>	Amended according to Article 28-2 of the Securities Exchange Act



Attachment 3 :

Gallant Precision Machining Co., Ltd

Comparison Table for the Corporate Social Responsibility Best Practice Principles

After Amendments	Before Amendments	Description of Amending Reason
Document Title: Sustainable Development Best Practice Principles	Document Title: Corporate Social Responsibility Best Practice Principles	Amended according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
1. Purpose: To implement corporate social responsibility and facilitate the progress of the economy, environment, and society for the achievement of the sustainable development target, the Company established the Principles according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” for observation.	2. Purpose: To implement corporate social responsibility and facilitate the progress of the economy, environment, and society for the achievement of the sustainable development target, the Company established the Principles according to the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” for observation.	Amended according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
4.1 When promoting sustainable development, the Company shall be aware of the interests of stakeholders, value environmental, social, and corporate factors while seeking sustainable operations and profitability, and include such factors into the Company’s corporate management policies and operating activities.	4.1 When performing corporate social responsibility, the Company shall be aware of the interests of stakeholders, value environmental, social, and corporate factors while seeking sustainable operations and profitability, and include such factors into the Company’s corporate management policies and operating activities.	Amended according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”
4.2 The Company shall consider the correlations between the domestic and foreign development trend of sustainable development and the core businesses of the enterprise, the overall operating activities of the Company itself and subsidiaries, and the effects of Directors, managerial officers, and employees on stakeholders to establish the sustainable corporate development policies, systems, or relevant management policies and substantial promotional plans, which shall be reported to the shareholders’ meeting after being approved by the Board. When a shareholder makes any relevant proposals involving sustainable development, the Board of the Company shall duly consider and include such proposals into the agenda of the shareholders’ meeting.	4.2 The Company shall consider the correlations between the domestic and foreign development trend of corporate social responsibility and the core businesses of the enterprise, the overall operating activities of the Company itself and subsidiaries, and the effects of Directors, managerial officers, and employees on stakeholders to establish the corporate social responsibility policies, systems, or relevant management policies and substantial promotional plans, which shall be reported to the shareholders’ meeting after being approved by the Board. When a shareholder makes any relevant proposals involving corporate social responsibility, the Board of the Company shall duly consider and include such proposals into the agenda of the shareholders’ meeting.	Amended according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”

<p>4.3The Company established effective governance structures and relevant ethical standards in compliance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” and “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” to optimize our corporate governance.</p>	<p>4.3The Company established effective governance structures and relevant ethical standards in compliance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies to optimize our corporate governance.</p>	<p>Minor amendments to wording.</p>
<p>4.4Directors of the Company shall exercise the obligation of care as good administrators, supervise the enterprise in implementing sustainable development, examine the implementation effects and make continual improvements at all times to ensure the implementation of sustainable development policies.</p>	<p>4.4Directors of the Company shall exercise the obligation of care as good administrators, supervise the enterprise in implementing social responsibilities, examine the implementation effects and make continual improvements at all times to ensure the implementation of corporate social responsibility policies.</p>	<p>Amended according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p>
<p>5.1As a leading company for precision machines and equipment in Taiwan, GPM includes environment social governance (ESG) in its operating strategies and duly implements such concepts in its daily operations while seeking sustainable corporate operations.</p>	<p>5.1As a leading company for precision machines and equipment in Taiwan, GPM includes corporate social responsibility (CSR) in its operating strategies and duly implements such concepts in its daily operations while seeking sustainable corporate operations.</p>	<p>Amended according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p>
<p>5.2.1 For operations, the Company strictly adheres to its position as an enterprise, observes ethics and laws, and strengthens corporate governance to establish the model of sustainability; furthermore, it will spare no effort in the advanced services with internalized and deeply-rooted ESG to lay a solid foundation for operations, protect shareholders’ interests, and create values for the Company.</p>	<p>5.2.1 For operations, the Company strictly adheres to its position as an enterprise, observes ethics and laws, and strengthens corporate governance to establish the model of sustainability; furthermore, it will spare no effort in the advanced services with internalized and deeply-rooted CSR to lay a solid foundation for operations, protect shareholders’ interests, and create values for the Company.</p>	<p>Amended according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p>
<p>5.2.2 The Company shall respect the interests of stakeholders to identify stakeholders of the Company, set up a stakeholders’ section, understand the reasonable expectations and demands of stakeholders through appropriate communication methods, and make appropriate responses regarding material sustainable development issues concerned by stakeholders.</p>	<p>5.2.2 The Company shall respect the interests of stakeholders to identify stakeholders of the Company, understand the reasonable expectations and demands of stakeholders through appropriate communication methods, and make appropriate responses regarding material corporate social responsibility issues concerned by stakeholders.</p>	<p>Amended according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p>
<p>5.2.3 The Company regularly organizes educational training regarding the promotion of sustainable development, including the promotion of internalizing sustainable development into the Com-</p>	<p>5.2.3 The Company regularly organizes educational training regarding the performance of corporate social responsibility, including the promotion of internalizing corporate social re-</p>	<p>Amended according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”</p>

pany's operating activities and approves concrete promotional plans for sustainable development.	sponsibility into the Company's operating activities and approves concrete promotional plans for corporate social responsibility.	
5.2.4 The Company's dedicated (part-time) unit for sustainable development is responsible for the proposal and execution of sustainable development policies, systems, or relevant management policies, as well as the concrete promotional plans, and it shall regularly report to the Board.	5.2.4 The Company's dedicated (part-time) unit for corporate social responsibility is responsible for the proposal and execution of corporate social responsibility policies, systems, or relevant management policies, as well as the concrete promotional plans, and it shall regularly report to the Board.	Amended according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
5.2.6 The Company shall combine sustainable development policies with employees' performance evaluation and the incentive and punishment system for consideration.	5.2.6 The Company shall combine corporate social responsibility policies with employees' performance evaluation and the incentive and punishment system for consideration.	Amended according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
5.5 Improve sustainable development information disclosure:	5.5 Improve corporate social responsibility information disclosure:	Amended according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
5.5.1 The Company performs open information according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and fully discloses crucial and reliable information related to sustainable development to improve the information transparency.	5.5.1 The Company performs open information according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and fully discloses crucial and reliable information related to corporate social responsibility to improve the information transparency.	Amended according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
5.5.2 The Company shall prepare its sustainable development report according to laws and regulations promulgated by the competent authority or based on the actual operational needs.	5.5.2 The Company shall prepare its corporate social responsibility report according to laws and regulations promulgated by the competent authority or based on the actual operational needs.	Amended according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
5.6 The Company keeps abreast of the development of standards related to sustainable development and changes in sustainable development abroad and at home to examine and improve the sustainable development system established by the Company to improve the effects of performing corporate social responsibility.	5.6 The Company keeps abreast of the development of standards related to corporate social responsibility and changes in corporate environments abroad and at home to examine and improve the corporate social responsibility system established by the Company to improve the effects of performing corporate social responsibility.	Amended according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
6.1 Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	6.1 Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies.	Amended according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
7 The Principles are implemented after being approved by the Board and reported to the shareholders' meeting, and the same shall apply upon any amendment.	7 The Principles are implemented after being approved by the Board, and the same shall apply upon any amendment.	Amended based on the actual requirements of the Company.



**Attachment 4 :**  
**- Independent Auditors' Report and Individual Financial Statements**

REPORT OF INDEPENDENT ACCOUNTANTS

To Gallant Precision Machining Co., Ltd.

**Opinion**

We have audited the accompanying parent company only financial statements of Gallant Precision Machining Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years 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 independent auditors, as described in the Other matter section of our report, 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 parent company only financial performance and its parent company only cash flows for the years ended December 31, 2021 and 2020, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**Basis for Opinion**

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the independent auditors' responsibilities for the audit of 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 in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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, and we do not provide a separate opinion on these matters. Key audit matters for the parent company only financial statements in the current period are stated as follow:

**Evaluation of inventories**

### Description

Gallant Precision Machining Co., Ltd is primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Inventories are stated at the lower of cost and net realizable value and regarding the accounting policy on the evaluation of inventories are disclosed in Note 4(11) of the parent company only financial statements. The uncertainty of accounting estimations and assumptions for valuation of inventories are disclosed in Note 5(2) of the parent company only financial statements. The inventories and allowance for inventory valuation loss amounting to NT474,051 thousand and NT60,545 thousand as of December 31, 2021 are disclosed in Note 6(5) of the parent company only financial statements.

As the amount of inventory is significant, and the estimation of net realizable value of inventories for exceeded specific age, and individually identified out of date or damaged inventories are subject to management's judgment, the evaluation of inventories has been identified a key audit matters.

### **How our audit addressed the matter**

Our audit procedures performed included the following:

1. Obtained an understanding and assessed the reasonableness of the policy of the allowance for inventory valuation loss and compared whether consistent application of accounting policies in relation to the provision for inventory valuation losses.
2. Tested the accuracy of inventory aging report, included tested whether the quantity and amount of inventory is consistent with inventory ledger and verify the accuracy of the inventory age classification.
3. Assessed and confirmed the reasonableness in estimation of net realizable value and checked the related supporting documents.
4. Tested the reasonableness in accrual of the allowance for inventory valuation loss.

### **Revenue recognition**

#### Description

Refer to Note 4(26) and Note 6(19) of the parent company only financial statements for accounting policies on revenue recognition and the description of significant accountings – operating revenue.

Gallant Precision Machining Co., Ltd. is primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Main revenue recognition is based on customer's confirmation for acceptance. Since the transferred timing of the risks and rewards of goods ownerships are subject to judgment and the result could affect sales revenue significantly in the parent company only financial statement. Thus, revenue recognition has been identified a key audit matter.

### **How our audit addressed the matter**

Our audit procedures performed included the following:

1. Assessed the appropriateness of the policy of sales revenue recognition.

2. Assessed and tested the design and operating effectiveness of the key controls over sales revenue recognition.
3. Sampled and tested the sales transactions included check customer purchase order, evidence of customer's confirmation for acceptance, verified whether had met criteria of the contract and considered the reliability of collection for the timing of revenue recognition.
4. Performed cut-off test on sales transactions for a specific time prior to and after the balance sheet date.

#### **Other matter - Reference to the audits of other independent auditors**

We did not audit the financial statements of certain investments accounted for under equity method. The financial statements of these investments accounted for under equity method were audited by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements is based solely on the reports of other auditors. The amount of investments accounted for using the equity method on the audit reports of the other independent accountants are NT0 thousand and NT0 thousand, constituting 0% and 0% of the total assets as of December 31, 2021 and 2020, respectively, and its share of the loss amounting to NT0 thousand and NT(901) thousand, constituting 0% and (0.45%) of the total comprehensive income for the years then ended, respectively.

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

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

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

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

#### **Independent Accountant's 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 ROC GAAS 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 ROC GAAS, 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 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.

PricewaterhouseCoopers, Taiwan

March 16, 2022

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The accompanying parent financial statements are not intended to present the financial position and results of operations and cash flows 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 financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent financial statements and report of independent accountants 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.

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

<u>Assets</u>		<u>Notes</u>	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
			<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 579,056	12	\$ 756,470	17
1136	Financial assets at amortized cost - current	6(3)	128,600	3	115,655	2
1150	Notes receivable, net	6(4)	-	-	10	-
1170	Accounts receivable, net	6(4)	1,214,656	25	1,166,663	26
1180	Accounts receivable - related parties, net	6(4) and 7	51,900	1	10,605	-
1200	Other receivables		378	-	4,300	-
1210	Other receivables - related parties	7	2,471	-	2,725	-
130X	Inventories, net	6(5)	413,506	9	549,999	12
1410	Prepayments		31,459	1	34,783	1
1470	Other current assets		5,583	-	9,846	-
11XX	<b>Current Assets</b>		<u>2,427,609</u>	<u>51</u>	<u>2,651,056</u>	<u>58</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non - current	6(2)	649,090	14	-	-
1535	Financial assets at amortized cost - non-current	6(3) and 8	11,427	-	16,407	-
1550	Investments accounted for using equity method	6(6)	930,721	20	1,221,918	27
1600	Property, plant and equipment, net	6(7) and 8	428,605	9	391,307	9
1755	Right-of-use assets	6(8)	200,029	4	206,018	5
1780	Intangible assets, net		3,730	-	10,521	-
1840	Deferred income tax assets	6(26)	89,874	2	62,138	1
1900	Other non-current assets		3,805	-	4,069	-
15XX	<b>Non-current assets</b>		<u>2,317,281</u>	<u>49</u>	<u>1,912,378</u>	<u>42</u>
1XX	<b>Total assets</b>			10		
X			<u>\$ 4,744,890</u>	<u>0</u>	<u>\$ 4,563,434</u>	<u>100</u>

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

(Continued)

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2100	Short-term loans	6(9)	\$ 480,564	10	\$ 784,410	17
2130	Contract liabilities-current	6(19)	104,523	2	205,257	5
2170	Accounts payable	6(10)	875,414	19	793,743	17
2180	Accounts payable - related parties	7	41,293	1	54,503	1
2200	Other payables	6(11)	222,800	5	172,808	4
2220	Other payables - related parties	7	-	-	470	-
2250	Provisions for liabilities - current		49,925	1	91,797	2
2280	Lease liabilities-current		4,650	-	4,609	-
2320	Long-term loans-current portion	6 (12)	19,500	-	-	-
2399	Other current liabilities - other		5,027	-	8,292	-
21XX	<b>Current Liabilities</b>		1,803,69			
			6	38	2,115,889	46
<b>Non-current liabilities</b>						
2540	long-term loans	6(12)	280,500	6	-	-
2580	Lease liabilities-non-current		199,770	4	204,420	4
2600	Other non-current liabilities	6(13)	19,063	1	25,904	1
25XX	<b>Non-current liabilities</b>		499,333	11	230,324	5
2XX	<b>Total Liabilities</b>		2,303,02			
X			9	49	2,346,213	51
<b>Equity</b>						
	Share capital	6(15)				
3110	Share capital - common stock		1,651,36			
			1	35	1,651,361	36
	Capital surplus	6(16)				
3200	Capital surplus		226,704	4	187,088	4
	Retained earnings	6(17)				
3310	Legal reserve		163,550	4	148,486	3
3320	Special reserve		111,147	2	132,987	3
3350	Unappropriated retained earnings		310,619	7	254,070	6
	Other equity interest	6(18)				
3400	Other equity interest		60,035	1	( 48,346)	( 1)
3500	Treasury share	6(15)	( 81,555)	( 2)	( 108,425)	( 2)
3XX	<b>Total equity</b>		2,441,86			
X			1	51	2,217,221	49

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Significant contingent liabilities and unrecognized contract commitments	9			
	Significant events after the balance sheet date	11			
3X2X	<b>Total liabilities and equity</b>		4,744,89		
			\$ 0	100	\$ 4,563,434
				100	

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Years ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 <b>Operating revenue</b>	6(19) and 7	\$ 3,094,707	100	\$ 2,453,801	100
5000 <b>Operating costs</b>	6(5) and 7	( 2,580,724)	( 84)	( 1,966,955)	( 80)
5900 <b>Operating margin</b>		513,983	16	486,846	20
5910 Unrealized profit from sales		( 70)	-	( 26)	-
5920 Realized profit from sales		26	-	66	-
5950 <b>Net operating margin</b>		<u>513,939</u>	<u>16</u>	<u>486,886</u>	<u>20</u>
<b>Operating expenses</b>	6(24)(25)				
6100 Selling expenses		( 93,512)	( 3)	( 90,059)	( 3)
6200 General and administrative expenses		( 178,771)	( 6)	( 141,958)	( 6)
6300 Research and development expenses		( 185,908)	( 6)	( 195,020)	( 8)
6450 Expected credit impairment gain (loss)	12(2)	20,122	1	( 2,938)	-
6000 <b>Total operating expenses</b>		<u>( 438,069)</u>	<u>( 14)</u>	<u>( 429,975)</u>	<u>( 17)</u>
6900 <b>Operating profit</b>		<u>75,870</u>	<u>2</u>	<u>56,911</u>	<u>3</u>
<b>Non-operating income and expenses</b>					
7100 Interest income	6(20)	2,972	-	1,779	-
7010 Other income	6(21) and 7	54,872	2	114,092	5
7020 Other gains and losses	6(22)	( 14,956)	( 1)	( 59,580)	( 3)
7050 Finance costs	6(23)	( 9,788)	-	( 18,731)	( 1)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	109,441	4	67,255	3
7000 <b>Total non-operating income and expenses</b>		<u>142,541</u>	<u>5</u>	<u>104,815</u>	<u>4</u>
7900 <b>Profit before tax</b>		<u>218,411</u>	<u>7</u>	<u>161,726</u>	<u>7</u>
7950 Income tax expense	6(26)	27,678	1	( 12,215)	( 1)
8200 <b>Profit for the year</b>		<u>\$ 246,089</u>	<u>8</u>	<u>\$ 149,511</u>	<u>6</u>
<b>Other comprehensive income for the year</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311 Remeasurement of defined benefit obligation	6(13)	\$ 1,994	-	\$ 1,130	-
8316 Unrealized gains(losses) on investments in equity instruments at fair value through other comprehensive income	6(2) 6(18)	77,168	2	28,825	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	58	-	108	-
8310 <b>Components that will not be reclassified subsequently to profit or loss:</b>					
<b>Components of other comprehensive income that may be reclassified subsequently to profit or</b>		<u>79,220</u>	<u>2</u>	<u>30,063</u>	<u>1</u>

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

8361	<b>loss</b>						
	Cumulative translation differences of foreign operations	6(18)	(	<u>7,569</u>	-	<u>19,126</u>	<u>1</u>
8360	<b>Components of other comprehensive income that may be reclassified subsequently to profit or loss</b>		(	<u>7,569</u>	-	<u>19,126</u>	<u>1</u>
8300	<b>Other comprehensive income (loss) for the year</b>		\$	<u>71,651</u>	<u>2</u>	\$	<u>49,189</u>
8500	<b>Total comprehensive income for the year</b>		\$	<u>317,740</u>	<u>10</u>	\$	<u>198,700</u>
	<b>Basic earnings per share</b>	6(27)					
9750	<b>Basic earnings per share</b>		\$	<u>1.54</u>		\$	<u>0.93</u>
	<b>Diluted earnings per share</b>	6(27)					
9850	<b>Diluted earnings per share</b>		\$	<u>1.53</u>		\$	<u>0.92</u>

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other equity			Treasury share	Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income		
<u>For the year ended December 31, 2020</u>										
Balance at January 1, 2020		\$ 1,651,361	\$ 199,091	\$ 123,722	\$ 132,987	\$ 375,897	(\$ 99,700)	\$ 3,295	\$ -	\$ 2,386,653
Profit for the year		-	-	-	-	149,511	-	-	-	149,511
Other comprehensive income for the year	6(18)	-	-	-	-	1,130	19,126	28,933	-	49,189
Total comprehensive income for the year		-	-	-	-	150,641	19,126	28,933	-	198,700
Distribution of 2019 earnings:	6(17)									
Legal reserve		-	-	24,764	-	( 24,764)	-	-	-	-
Cash dividends		-	-	-	-	( 247,704)	-	-	-	( 247,704)
Recognition of changes in equities of associates		-	( 12,003)	-	-	-	-	-	-	( 12,003)
Treasure share acquired	6(15)	-	-	-	-	-	-	-	( 108,425)	( 108,425)
Balance at December 31, 2020		\$ 1,651,361	\$ 187,088	\$ 148,486	\$ 132,987	\$ 254,070	(\$ 80,574)	\$ 32,228	(\$ 108,425)	\$ 2,217,221
<u>For the year ended December 31, 2021</u>										
Balance at January 1, 2021		\$ 1,651,361	\$ 187,088	\$ 148,486	\$ 132,987	\$ 254,070	(\$ 80,574)	\$ 32,228	(\$ 108,425)	\$ 2,217,221
Profit for the year		-	-	-	-	246,089	-	-	-	246,089
Other comprehensive income for the year	6(18)	-	-	-	-	1,994	( 7,569)	77,226	-	71,651
Total comprehensive income for the year		-	-	-	-	248,083	( 7,569)	77,226	-	317,740
Distribution of 2020 earnings:	6(17)									
Legal reserve		-	-	15,064	-	( 15,064)	-	-	-	-
Cash dividends		-	-	-	-	( 159,136)	-	-	-	( 159,136)
Reversal of special reserve		-	-	-	( 21,840)	21,840	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	-	-	-	-	38,724	-	-	38,724
Recognition of changes in ownership interest in subsidiaries		-	16,969	-	-	( 39,174)	-	-	-	( 22,205)
Treasury stock transferred	6(15)	-	22,647	-	-	-	-	-	26,870	49,517

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other equity			Total equity	
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income		Treasury share
Balance at December 31, 2021		<u>\$ 1,651,361</u>	<u>\$ 226,704</u>	<u>\$ 163,550</u>	<u>\$ 111,147</u>	<u>\$ 310,619</u>	<u>(\$ 49,419)</u>	<u>\$109,454</u>	<u>(\$ 81,555)</u>	<u>\$ 2,441,861</u>

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax for the year		\$ 218,411	\$ 161,726
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	25,142	22,407
Amortization	6(24)	7,695	12,671
Net gain on financial assets or liabilities at fair value through profit or loss	6(22)	-	( 60 )
Expected credit impairment loss (gain)	12(2)	( 20,122 )	2,938
Interest expense	6(23)	9,788	18,731
Interest income	6(20)	( 2,972 )	( 1,779 )
Dividend income	6(21)	( 16,555 )	-
Share of profits of associates and joint ventures accounted for using equity method		( 109,441 )	( 67,255 )
Gain on disposal of investments accounted for using equity method	6(20)	-	( 2,629 )
Unrealized profits from sales		70	26
Realized profits from sales		( 26 )	( 66 )
Compensation cost from treasury stock transferred to employees	6(14)	23,717	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		-	120,413
Notes receivable		10	31,558
Accounts receivable		( 27,871 )	899,578
Accounts receivable - related parties		( 41,295 )	( 10,605 )
Other receivables		4,000	( 1,857 )
Other receivables - related parties		254	407
Inventories		136,493	159,818
Prepayments		4,604	( 18,886 )
Other current assets		3,724	( 1,717 )
Net changes in liabilities relating to operating activities			
Contract liabilities		( 100,734 )	97,383
Accounts payable		81,671	( 50,187 )
Accounts payable - related parties		( 13,210 )	3,302
Other payables		39,952	( 30,401 )
Other payables - related parties		( 470 )	470
Provisions for liabilities		( 41,872 )	( 19,359 )
Unearned receipts		( 3,597 )	3,597
Other current liabilities		332	996
Accrued pension liabilities		( 4,931 )	( 21,672 )
Cash generated from operations		172,767	1,309,548
Interest received		2,894	1,836
Interest paid		( 9,923 )	( 21,273 )
Income tax paid		( 1,280 )	( 21,972 )
Dividends received		16,555	-
Income tax prepaid		-	95
Net cash provided by (used in) operating activities		<u>181,013</u>	<u>1,268,234</u>

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
ties			

(Continued)

GALLANT PRECISION MACHINING CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Acquisition of financial assets at fair value through other comprehensive income	6(2)	(\$ 602,866)	\$ -
Acquisition of financial assets at amortized cost		( 488,700)	( 40,812)
Proceeds from disposal of financial assets at amortized cost		480,735	-
Proceeds from disposal of investments accounted for under equity method	6(6)	383,838	31,281
Acquisition of property, plant and equipment	6(28)	( 45,687)	( 9,025)
Acquisition of intangible assets		( 954)	( 9,756)
Refundable deposits paid		-	( 1,397)
Refundable deposits refunded		264	-
Dividends received from investments accounted for using equity method		55,580	67,103
Net cash provided by (used in) investing activities		<u>( 217,790)</u>	<u>37,394</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in short-term loans	6(29)	1,658,786	1,983,946
Repayment of short-term loans	6(29)	( 1,962,632)	( 2,118,523)
Increase in long-term loans	6(29)	300,000	-
Repayment of long-term loans	6(29)	-	( 379,404)
Repayment of the principal portion of lease liabilities	6(29)	( 4,609)	( 4,725)
Guarantee deposits received		84	1,194
Payment of cash dividends	6(17)	( 159,136)	( 247,704)
Treasure stock acquired	6(15)	-	( 108,425)
Treasury stock transferred to employees	6(15)	26,870	-
Net cash provided by (used in) financing activities		<u>( 140,637)</u>	<u>( 873,641)</u>
Net increase in cash and cash equivalents		( 177,414)	431,987
Cash and cash equivalents at beginning of year	6(1)	756,470	324,483
Cash and cash equivalents at end of year	6(1)	<u>\$ 579,056</u>	<u>\$ 756,470</u>

**Attachment 4 :**

**- Independent Auditors' Report and Consolidated Financial Statements**

REPORT OF INDEPENDENT ACCOUNTANTS

To Gallant Precision Machining Co., Ltd.

**Opinion**

We have audited the accompanying consolidated balance sheets of Gallant Precision Machining Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matter section of our report, 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 years ended December 31, 2021 and 2020, 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 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 independent auditors' responsibilities for the audit of the separate financial statements section of our report. We are independent of Gallant Precision Machining Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of

the consolidated financial statements 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.

Key audit matters for the Group's consolidated financial statements in the current period are stated as follows:

### **Evaluation of inventories**

#### Description

Gallant Precision Machining Co., Ltd. and its subsidiaries are primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Inventories are stated at the lower of cost and net realizable value and regarding the accounting policy on the evaluation of inventories are disclosed in Note 4(12) of the consolidated financial statements. The uncertainty of accounting estimations and assumptions for valuation of inventories are disclosed in Note 5(2) of the consolidated financial statements. The inventories and allowance for inventory valuation loss amounting to NT1,022,605 thousand and NT223,206 thousand as of December 31, 2021 are disclosed in Note 6(5) of the consolidated financial statements.

As the amount of inventory is significant, and the estimation of net realizable value of inventories for exceeded specific age, and individually identified out of date or damaged inventories are subject to management's judgment, the evaluation of inventories has been identified a key audit matter.

#### **How our audit addressed the matter**

Our audit procedures performed included the following:

1. Obtained an understanding and assessed the reasonableness of the policy of the allowance for inventory valuation loss and compared whether consistent application of accounting policies in relation to the provision for inventory valuation losses.
2. Tested the accuracy of inventory aging report, included tested whether the quantity and amount of inventory is consistent with inventory ledger and verify the accuracy of the inventory age classification.
3. Assessed and confirmed the reasonableness in estimation of net realizable value and checked the related supporting documents.
4. Tested the reasonableness in accrual of the allowance for inventory valuation loss.

### **Revenue recognition**

#### Description

Refer to Note 4(28) and Note 6(19) of the consolidated financial statements for accounting policies on revenue recognition and the description of significant accountings – operating revenue.

Gallant Precision Machining Co., Ltd. and its subsidiaries are primarily engaged in the manufacture and sale of flat panel display testing equipment, semiconductor assembly equipment, intelligent automated equipment, and related parts. Main revenue recognition is based on customer's confirmation for acceptance. Since the transferred timing of the risks and rewards of goods ownerships are subject to judgment and the result could affect sales revenue significantly in the consolidated financial statement. Thus, revenue recognition has been identified a key audit matter.

#### **How our audit addressed the matter**

Our audit procedures performed included the following:

1. Assessed the appropriateness of the policy of sales revenue recognition.
2. Assessed and tested the design and operating effectiveness of the key controls over sales revenue recognition.
3. Sampled and tested the sales transactions included check customer purchase orders, evidence of customer's confirmation for acceptance, verified whether had met criteria of the contract and considered the reliability of collection for the timing of revenue recognition.
4. Performed cut-off test on sales transactions for a specific time prior to and after the balance sheet date.

#### **Other matter - Reference to the audits of other independent auditors**

We did not audit the financial statements of certain investments accounted for under the equity method. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements was based solely on the reports of the other independent auditors. The balance of investment accounted for under equity method was NT\$0 thousand and NT\$0 thousand, constituting 0% and 0% of consolidated total assets as of December 31, 2021 and 2020, respectively, and the share of profit (loss) of associates and joint ventures accounted for under equity method was NT\$0 thousand and NT(\$4,802) thousand, constituting 0% and (2.08%) of consolidated total comprehensive income for the years ended December 31, 2021 and 2020, respectively.

#### **Other matter - Parent company only financial statements**

We have audited and expressed an unqualified opinion on the parent company only financial statements of Gallant Precision Machining Co., Ltd. as of 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Group’s financial reporting process.

## **Independent Accountant’s 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 auditor’s 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 ROC GAAS 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 ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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 auditor's 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 reasona-

bly be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan

March 16, 2022

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows 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 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 report of independent accountants 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.

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 1,221,566	18	\$ 1,584,069	26
1136	Financial assets at amortized cost - current	6(3) and 8	659,218	10	702,752	12
1150	Notes receivable, net	6(4)	39,362	-	14,411	-
1170	Accounts receivable, net	6(4)	1,844,643	27	1,554,642	26
1180	Accounts receivable to related parties, net	6(4) and 7	45,288	1	10,605	-
1200	Other receivables		4,243	-	9,431	-
130X	Inventories, net	6(5)	799,399	12	831,742	14
1410	Prepayments		64,923	1	77,328	1
1470	Other current assets		8,028	-	12,301	-
11XX	<b>Current Assets</b>		<u>4,686,670</u>	<u>69</u>	<u>4,797,281</u>	<u>79</u>
<b>Non-current assets</b>						
1517	Financial assets at fair value through other comprehensive income - non - current	6(2)	935,284	14	167,966	3
1535	Financial assets at amortized cost - non-current	6(3) and 8	17,898	-	22,615	-
1600	Property, plant and equipment, net	6(7) and 8	746,793	11	720,976	12
1755	Right-of-use assets	6(8)	257,077	4	258,063	4
1780	Intangible assets, net		13,772	-	20,536	-
1840	Deferred income tax assets	6(26)	130,888	2	95,922	2
1900	Other non-current assets		8,029	-	12,711	-
15XX	<b>Non-current assets</b>		<u>2,109,741</u>	<u>31</u>	<u>1,298,789</u>	<u>21</u>
1XXX	<b>Total assets</b>		<u>\$ 6,796,411</u>	<u>100</u>	<u>\$ 6,096,070</u>	<u>100</u>

(Continued)

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31

(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>					
2100	Short-term loans	6(9)	\$ 1,000,565	15	\$ 1,054,410	17
2130	Contract liabilities-current	6(19)	222,518	3	267,883	5
2150	Notes payable		8,683	-	-	-
2170	Accounts payable	6(10)	1,239,331	18	1,066,830	18
2180	Accounts payable - related parties	7	12,039	-	34,274	1
2200	Other payables	6(11)	401,251	6	281,619	5
2220	Other payables - related parties	7	-	-	470	-
2230	Current income tax liabilities		37,634	1	17,824	-
2250	Provisions for liabilities-current		101,578	1	126,136	2
2280	Lease liabilities-current		21,622	-	19,472	-
2320	Long-term loans-current portion	6(12) and 8	38,193	1	18,693	-
2399	Other current liabilities - other		9,757	-	15,151	-
21XX	<b>Current Liabilities</b>		<u>3,093,171</u>	<u>45</u>	<u>2,902,762</u>	<u>48</u>
	<b>Non-current liabilities</b>					
2540	Long-term loans	6(12) and 8	389,857	6	128,050	2
2570	Deferred income tax liabilities	6(26)	119,161	2	98,856	1
2580	Lease liabilities-non-current		241,474	3	242,838	4
2600	Other non-current liabilities		44,429	1	51,605	1
25XX	<b>Non-current liabilities</b>		<u>794,921</u>	<u>12</u>	<u>521,349</u>	<u>8</u>
2XXX	<b>Total Liabilities</b>		<u>3,888,092</u>	<u>57</u>	<u>3,424,111</u>	<u>56</u>
	<b>Equity attributable to owners of parent company</b>					
	<b>Share capital</b>	6(15)				
3110	Share capital-common stock		1,651,361	24	1,651,361	27
	<b>Capital surplus</b>	6(16)				
3200	Capital surplus		226,704	3	187,088	3
	<b>Retained earnings</b>	6(17)				
3310	Legal reserve		163,550	2	148,486	2
3320	Special reserve		111,147	2	132,987	2
3350	Unappropriated retained earnings		310,619	5	254,070	4
	<b>Other equity interest</b>	6(18)				
3400	Other equity interest		60,035	1	(48,346)	-
3500	Treasury share	6(15)	(81,555)	(1)	(108,425)	(2)
31XX	<b>Equity attributable to owners of the parent company</b>		<u>2,441,861</u>	<u>36</u>	<u>2,217,221</u>	<u>36</u>
36XX	<b>Non-controlling interest</b>		<u>466,458</u>	<u>7</u>	<u>454,738</u>	<u>8</u>
3XXX	<b>Total equity</b>		<u>2,908,319</u>	<u>43</u>	<u>2,671,959</u>	<u>44</u>

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31

(Expressed in thousands of New Taiwan dollars)

	Contingent liabilities and unrec-	9	—	—	—	—
	ognised					
	contract commitments					
	Significant events after the bal-	11				
	ance sheet date					
3X2X	<b>Total liabilities and equity</b>		<u>\$ 6,796,411</u>	<u>100</u>	<u>6,096,070</u>	<u>100</u>

**GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Years ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	<b>Operating revenue</b>	6(19) and 7	\$ 4,811,375	100	\$ 3,460,391	100
5000	<b>Operating costs</b>	6(5)(24)(25) and 7	( 3,662,847)	( 76)	( 2,639,968)	( 76)
5900	<b>Net operating margin</b>		<u>1,148,528</u>	<u>24</u>	<u>820,423</u>	<u>24</u>
	<b>Operating expenses</b>	6(24)(25)				
6100	Selling expenses		( 162,730)	( 4)	( 133,656)	( 4)
6200	General and administrative ex- penses		( 346,811)	( 7)	( 275,168)	( 8)
6300	Research and development ex- penses		( 314,213)	( 7)	( 298,701)	( 9)
6450	Expected credit impairment loss (gain)	12(2)	( 7,799)	-	( 35,289)	( 1)
6000	<b>Total operating expenses</b>		<u>( 831,553)</u>	<u>( 18)</u>	<u>( 742,814)</u>	<u>( 22)</u>
6900	<b>Operating profit</b>		<u>316,975</u>	<u>6</u>	<u>77,609</u>	<u>2</u>
	<b>Non-operating income and ex- penses</b>					
7100	Interest income	6(20)	12,772	-	14,002	1
7010	Other income	6(21)	101,679	2	207,219	6
7020	Other gains and losses	6(22)	( 62,531)	( 1)	( 61,823)	( 2)
7050	Finance costs	6(23)	( 18,459)	-	( 26,443)	( 1)
7060	Share of profit of associates and joint ventures accounted for under equity method	6(6)	-	-	( 4,802)	-
7000	<b>Total non-operating income and expenses</b>		<u>33,461</u>	<u>1</u>	<u>128,153</u>	<u>4</u>
7900	<b>Profit before tax</b>		<u>350,436</u>	<u>7</u>	<u>205,762</u>	<u>6</u>
7950	Income tax expense	6(26)	( 29,205)	-	( 45,144)	( 1)
8200	<b>Profit for the year</b>		<u>\$ 321,231</u>	<u>7</u>	<u>\$ 160,618</u>	<u>5</u>
	<b>Other comprehensive income for the year</b>					
	<b>Items that will not be reclassified subsequently to profit or loss:</b>					
8311	Loss on remeasurements of defined benefit plan	6(13)	\$ 1,994	-	\$ 1,130	-
8316	Unrealized gains (losses) on investments in equity in- struments at fair value through other comprehensive income	6(2)(18)	108,478	2	64,504	2
8349	Income tax related to compo- nents of other comprehen- sive income that will not be reclassified to profit or loss	6(26)	( 11,124)	-	( 13,046)	-
8310	<b>Items that will not be re- classified subsequently to profit or loss:</b>		<u>99,348</u>	<u>2</u>	<u>52,588</u>	<u>2</u>
	<b>Items that may be reclassified subsequently to profit or loss:</b>					
8361	Cumulative translation differ- ences of foreign operations	6(18)	( 9,420)	-	17,639	-
8360	<b>Summary of Components of other comprehensive income that will be reclassified to profit or loss</b>		<u>( 9,420)</u>	<u>-</u>	<u>17,639</u>	<u>-</u>
8300	<b>Other comprehensive (loss) in- come for the year</b>		<u>\$ 89,928</u>	<u>2</u>	<u>\$ 70,227</u>	<u>2</u>
8500	<b>Total comprehensive income for</b>		<u>\$ 411,159</u>	<u>9</u>	<u>\$ 230,845</u>	<u>7</u>

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	<b>the year</b>					
	<b>Profit attributable to:</b>					
8610	Equity holders of the parent company	\$	246,089	5	\$ 149,511	5
8620	Non-controlling interest		75,142	2	11,107	-
	<b>Profit for the year</b>	\$	<u>321,231</u>	<u>7</u>	<u>\$ 160,618</u>	<u>5</u>
	<b>Total comprehensive income attributable to:</b>					
8710	Equity holders of the parent company	\$	317,740	7	\$ 198,700	6
8720	Non-controlling interest		93,419	2	32,145	1
	<b>Total comprehensive income for the year</b>	\$	<u>411,159</u>	<u>9</u>	<u>\$ 230,845</u>	<u>7</u>
	<b>Basic earnings per share</b>					
9750	<b>Profit for the year</b>			1.54		0.93
	<b>Diluted earnings per share</b>					
9850	<b>Profit for the year</b>			1.53		0.92

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Share capital- common stock	Capital surplus	Retained Earnings			Other Equity Interest			Treasury share	Total	Non- control- ling in- terest
				Legal reserve	Special reserve	Unappropri- ated retained earnings	Cumulative translation differences of foreign oper- ations	Unrealized gain(loss) on financial as- sets at fair value through other comprehen- sive income				
<u>For the year ended De- cember 31, 2020</u>												
Balance at January 1, 2020		\$ 1,651,361	\$ 199,091	\$ 123,722	\$ 132,987	\$ 375,897	(\$ 99,700)	\$ 3,295	\$ -	\$ 2,386,653	\$ 433,783	\$ 2,820,436
Profit for the year		-	-	-	-	149,511	-	-	-	149,511	11,107	160,618
Other comprehensive income for the year	6(18)	-	-	-	-	1,130	19,126	28,933	-	49,189	21,038	70,227
Total comprehensive income for the year		-	-	-	-	150,641	19,126	28,933	-	198,700	32,145	230,845
Distribution of 2019 earnings:	6(17)											
Legal reserve		-	-	24,764	-	( 24,764)	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 247,704)	-	-	-	( 247,704)	-	( 247,704)
Recognition of changes in equities of associates		-	( 12,003)	-	-	-	-	-	-	( 12,003)	-	( 12,003)
Treasure stock acquired	6(15)	-	-	-	-	-	-	-	( 108,425)	( 108,425)	-	( 108,425)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	( 11,190)	( 11,190)
Balance at December 31, 2020		<u>\$ 1,651,361</u>	<u>\$ 187,088</u>	<u>\$ 148,486</u>	<u>\$ 132,987</u>	<u>\$ 254,070</u>	<u>(\$ 80,574)</u>	<u>\$ 32,228</u>	<u>(\$ 108,425)</u>	<u>\$ 2,217,221</u>	<u>\$ 454,738</u>	<u>\$ 2,671,959</u>
<u>For the year ended De- cember 31, 2021</u>												
Balance at January 1, 2021		\$ 1,651,361	\$ 187,088	\$ 148,486	\$ 132,987	\$ 254,070	(\$ 80,574)	\$ 32,228	(\$ 108,425)	\$ 2,217,221	\$ 454,738	\$ 2,671,959
Profit for the year		-	-	-	-	246,089	-	-	-	246,089	75,142	321,231
Other comprehensive income for the year	6(18)	-	-	-	-	1,994	( 7,569)	77,226	-	71,651	18,277	89,928
Total comprehensive income for the year		-	-	-	-	248,083	( 7,569)	77,226	-	317,740	93,419	411,159
Distribution of 2020 earnings:	6(17)											
Legal reserve		-	-	15,064	-	( 15,064)	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 159,136)	-	-	-	( 159,136)	-	( 159,136)
Reversal of special reserve		-	-	-	( 21,840)	21,840	-	-	-	-	-	-
Difference between consideration and		-	-	-	-	-	38,724	-	-	38,724	-	38,724

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

carrying amount of subsidiaries acquired or disposed												
Recognition of changes in ownership interest in subsidiaries	6(28)	-	16,969	-	-	( 39,174)	-	-	-	( 22,205)	-	( 22,205)
Changes in non-controlling interest	6(28)	-	-	-	-	-	-	-	-	-	( 81,699)	( 81,699)
Treasury stock transferred	6(15)	-	22,647	-	-	-	-	-	26,870	49,517	-	49,517
Balance at December 31, 2021		<u>\$ 1,651,361</u>	<u>\$ 226,704</u>	<u>\$ 163,550</u>	<u>\$ 111,147</u>	<u>\$ 310,619</u>	<u>(\$ 49,419)</u>	<u>\$ 109,454</u>	<u>(\$ 81,555)</u>	<u>\$ 2,441,861</u>	<u>\$ 466,458</u>	<u>\$ 2,908,319</u>

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Consolidated profit before tax for the year		\$ 350,436	\$ 205,762
Adjustments			
Income and expenses having no effect on cash flow			
Depreciation	6(24)	57,380	53,330
Amortization	6(24)	9,778	14,791
Expected credit impairment loss (gain)	12(2)	7,799	35,289
Gain on financial assets at fair value through profit or loss, net	6(22)	-	( 60 )
Interest expense	6(23)	18,459	26,443
Interest income	6(20)	( 12,772 )	( 14,002 )
Dividend income	6(21)	( 21,266 )	( 1,880 )
Share of profit of associates and joint ventures accounted for using equity method	6(6)	-	4,802
(Gain)/loss on disposal of property, plant and equipment, net	6(22)	101	1,312
Loss (gain) on disposal of investments accounted for using equity method	6(22)	33,482	( 20,221 )
Gain on lease modification	6(22)	( 110 )	( 322 )
Gain recognized in bargain purchase transaction	6(21)	-	( 30,893 )
Compensation cost from treasury stock transferred to employees	6(14)	33,039	-
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss			
- current		-	120,413
Notes receivable	(	25,035 )	37,286
Accounts receivable	(	299,047 )	808,197
Accounts receivable - related parties	(	35,445 )	( 10,605 )
Other receivables	(	6,174 )	( 4,065 )
Other receivables - related parties		-	178
Inventories		33,571	138,712
Prepayments		12,235	( 24,010 )
Other current assets		4,254	( 767 )
Other non-current assets	(	919 )	132
Net changes in liabilities relating to operating activities			
Contract liabilities	(	45,315 )	121,581
Notes payable		8,683	-
Accounts payable		167,188	84,344
Accounts payable - related parties	(	21,923 )	6,067
Other payables		107,477	( 51,091 )
Other payables - related parties	(	470 )	470
Provisions for liabilities	(	24,501 )	( 18,121 )
Unearned receipts	(	3,596 )	4,927
Other current liabilities	(	1,772 )	3,566
Net defined benefit liabilities	(	5,075 )	( 21,688 )
Cash generated from operations		352,810	1,469,877
Interest received		12,228	27,227
Dividends received		21,084	1,675
Interest paid	(	18,534 )	( 28,966 )

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
Income tax paid		( 34,589 )	( 56,157 )
Net cash provided by (used in) operating activities		<u>332,999</u>	<u>1,413,656</u>

(Continued)

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income	6(2)	(\$ 658,840)	\$ -
Acquisition of financial assets at amortized cost		( 732,047)	-
Proceeds from disposal of financial assets at amortized cost		776,095	131,897
Acquisition of subsidiaries (after deduction of cash received)	6(29)	-	( 5,262)
Proceeds from disposal of investments accounted for under equity method	6(6)	-	42,879
Acquisition of property, plant and equipment	6(30)	( 51,710)	( 48,704)
Proceeds from disposal of property, plant and equipment		29	-
Acquisition of intangible assets		( 3,064)	( 9,861)
Refundable deposits paid		-	( 6,511)
Refundable deposits refunded		5,560	-
Net cash provided by (used in) investing activities		( 663,977)	104,438
<u>CASH FLOWS FROM FINANCING ACTIVITY</u>			
Proceeds from short-term loan	6(31)	2,614,787	2,533,946
Repayment of short-term loan	6(31)	( 2,668,632)	( 2,666,523)
Proceeds from long-term loan	6(31)	300,000	68,000
Repayment of long-term loan	6(31)	( 18,693)	( 394,696)
Repayment of the principal portion of lease liabilities	6(31)	( 20,206)	( 19,516)
Guarantee deposits paid		83	1,195
Treasure stock acquired	6(15)	-	( 108,425)
Treasure stock acquired - subsidiaries	6(28)	( 151,112)	-
Treasury stock transferred to employees	6(15)	94,001	-
Cash dividends paid	6(17)	( 189,450)	( 284,019)
Decrease in non-controlling interests		-	( 605)
Net cash provided by (used in) financing activities		( 39,222)	( 870,643)
Effect of fluctuations in exchange rate		7,697	6,906
Net increase (decrease) in cash and cash equivalents		( 362,503)	654,357
Cash and cash equivalents at beginning of year	6(1)	1,584,069	929,712
Cash and cash equivalents at end of year	6(1)	\$ 1,221,566	\$ 1,584,069

GALLANT PRECISION MACHINING CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

Notes	2021	2020
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Attachment 5 :

Gallant Precision Machining Co., Ltd.

Comparison Table for the Amended Provisions of Procedures for Acquisition or Disposal of Assets

After Amendments	Before Amendments	Description of Amending Reason
<p>5.1.4.2 When the transaction amount of an acquisition or disposal of property or its right-of-use assets with a related party, or an acquisition or disposal of an asset other than property or its right-of-use assets with a related party by the Company reaches 20% of the paid-in capital or 10% of the total assets of the Company, or NT\$300 million and above, except for the trading of domestic government bonds, bonds with repurchase or resale agreements, or subscription or repurchase of money market fund issued by domestic securities investment trust funds, the Company may only enter into the transaction contract and make payment after the following data is submitted to and approved by the Audit Committee and the Board :</p> <p>A. The purpose, necessity, and estimated effects of the acquisition or disposal of assets.</p> <p>B. Reason to select the related party as the counterparty of the transaction.</p> <p>C. Data related to the evaluation of the fairness of the intended transaction conditions based on requirements in 5.1.4.3 and 5.1.4.4 regarding the acquisition of property or its right-of-use assets.</p> <p>D. Date and price, transaction counterparty for the initial acquisition by the related party, and the relationship between the transaction counterparty with the Company and its related party.</p> <p>E. The monthly table of cash receipts and disbursements for the following year starting from the estimated month entering into the contract and the evaluation of the necessity of the transaction and the fairness of capital utilization.</p>	<p>5.1.4.2 When the transaction amount of an acquisition or disposal of property or its right-of-use assets with a related party, or an acquisition or disposal of an asset other than property or its right-of-use assets with a related party by the Company reaches 20% of the paid-in capital or 10% of the total assets of the Company, or NT\$300 million and above, except for the trading of domestic government bonds, bonds with repurchase or resale agreements, or subscription or repurchase of money market fund issued by domestic securities investment trust funds, the Company may only enter into the transaction contract and make payment after the following data is submitted to and approved by the Audit Committee and the Board :</p> <p>A. The purpose, necessity, and estimated effects of the acquisition or disposal of assets.</p> <p>B. Reason to select the related party as the counterparty of the transaction.</p> <p>C. Data related to the evaluation of the fairness of the intended transaction conditions based on requirements in 5.1.4.3 and 5.1.4.4 regarding the acquisition of property or its right-of-use assets.</p> <p>D. Date and price, transaction counterparty for the initial acquisition by the related party, and the relationship between the transaction counterparty with the Company and its related party.</p> <p>E. The monthly table of cash receipts and disbursements for the following year starting from the estimated month entering into the contract and</p>	<p>Amended according to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p>

<p>tion.</p> <p>F. Appraisal report issued by a professional appraiser or opinions of CPAs obtained according to requirements under 5.1.4.1.</p> <p>G. Restrictive conditions and other materials agreements under the transaction.</p> <p>For the acquisition or disposal of equipment for business use or its right-of-use assets and the acquisition or disposal of property for business use or its right-of-use assets between the Company and its parent company or its subsidiary, or between subsidiaries it directly or indirectly held its 100% issued shares or total assets, the Chairman may be authorized to make determination first, and then, report to the upcoming Board meeting for ratification subsequently according to the requirements under 5.1.3.</p> <p>When the Company or a non-domestic public subsidiary of the has any transaction in paragraph 1 with a transaction amount reaching 10% of the Company's total assets, the Company may only enter into the transaction contract and make payment after the data listed in subparagraphs under paragraph 1 is submitted to and approved by the shareholders' meeting. For matters to be submitted to the shareholders' meeting for approval regarding a non-public subsidiary, the superior issued parent company shall do so.</p> <p>However, this shall not apply to transactions between the Company and its subsidiary or between its subsidiaries.</p>	<p>the evaluation of the necessity of the transaction and the fairness of capital utilization.</p> <p>F. Appraisal report issued by a professional appraiser or opinions of CPAs obtained according to requirements under 5.1.4.1.</p> <p>G. Restrictive conditions and other materials agreements under the transaction.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be subject to requirements under 5.7.2, and the "within one year" shall be one year preceding the date of occurrence for the transaction; parts submitted to and approved by the Audit Committee and the Board according to the Procedures for the Acquisition and Disposal of Assets shall be exempted from the inclusion.</p> <p>For the acquisition or disposal of equipment for business use or its right-of-use assets and the acquisition or disposal of property for business use or its right-of-use assets between the Company and its parent company or its subsidiary, or between subsidiaries it directly or indirectly held its 100% issued shares or total assets, the Chairman may be authorized to make determination first, and then, report to the upcoming Board meeting for ratification subsequently according to the requirements under 5.1.3.</p>	
<p>5.1.5.1The authority and responsibility for approving the acquisition or disposal of membership are as follows: When the transaction amount reaches 1% of the paid-in capital or when the amount reaches NT\$3 million (inclusive) and below, it shall be submitted</p>	<p>5.1.5.1The authority and responsibility for approving the acquisition or disposal of membership are as follows: When the transaction amount reaches 1% of the paid-in capital or when the amount reaches NT\$3 million (in-</p>	<p>Amended according to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

<p>to the Chairman for approval; when the amount exceeds 1% of the paid-in capital or exceeds NT\$3 million, it shall only be performed after being submitted to and approved by the Board. For the acquisition or disposal of membership, the Company shall prepare and submit an analysis report to the Chairman, with reference to the fair market price as well as the transaction condition and price in the proposal; when the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million and above, except for transactions with domestic governmental agencies, the Company shall inquire with CPAs for expressing opinions on the fairness of the transaction price before the date of occurrence. The calculation of the transaction amount in the preceding paragraph shall comply with requirements under 5.7.2, and the "within one year" refers to one year preceding the date of occurrence for the transaction; parts submitted to and approved by the Audit Committee and the Board according to the Procedures for the Acquisition and Disposal of Assets shall be exempted from the inclusion.</p>	<p>clusive) and below, it shall be submitted to the Chairman for approval; when the amount exceeds 1% of the paid-in capital or exceeds NT\$3 million, it shall only be performed after being submitted to and approved by the Board. For the acquisition or disposal of membership, the Company shall prepare and submit an analysis report to the Chairman, with reference to the fair market price as well as the transaction condition and price in the proposal; when the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million and above, except for transactions with domestic governmental agencies, the Company shall inquire with CPAs for expressing opinions on the fairness of the transaction price before the date of occurrence, and the CPAs shall comply with the Statements on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation. The calculation of the transaction amount in the preceding paragraph shall comply with requirements under 5.7.2, and the "within one year" refers to one year preceding the date of occurrence for the transaction; parts submitted to and approved by the Audit Committee and the Board according to the Procedures for the Acquisition and Disposal of Assets shall be exempted from the inclusion.</p>	
<p>5.1.6.2 For the acquisition or disposal of intangible assets or its right-of-use assets, the Company shall prepare and submit an analysis report to the Chairman, with reference to the appraisal report issued by experts or the fair market price; when the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million and above, except for transactions with domestic governmental agencies, the Company shall inquire with CPAs for expressing opinions on the fairness of the transaction price before the date of</p>	<p>5.1.6.2 For the acquisition or disposal of intangible assets or its right-of-use assets, the Company shall prepare and submit an analysis report to the Chairman, with reference to the appraisal report issued by experts or the fair market price; when the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million and above, except for transactions with domestic governmental agencies, the Company shall inquire with CPAs for expressing opinions on the fairness of the</p>	<p>Amended according to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

occurrence	transaction price before the date of occurrence, and the CPAs shall comply with the Statements on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.	
<p>5.4The total investments in securities, limits for individual investments, and limits for the total amount of property for non-business use and its right-of-use assets of the Company and its individual subsidiaries are established as follows:</p> <p>5.4.1 The total amount of property for non-business use and its right-of-use assets shall not exceed 50% of the Company’s net value.</p> <p>5.4.2 The total investments in securities, less the balances of money market funds issued by domestic securities investment trust companies, shall not exceed 110% of the Company’s net value.</p> <p>5.4.3 The limit for investments in individual securities shall not exceed 60% of the Company’s net value.</p> <p>5.4.4 The investment ratio in the Mainland area shall not exceed the limit stated in “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” issued by the Ministry of Economic Affairs.</p>	<p>5.4The total investments in securities, limits for individual investments, and limits for the total amount of property for non-business use and its right-of-use assets of the Company and its individual subsidiaries are established as follows:</p> <p>5.6.1 The total amount of property for non-business use and its right-of-use assets shall not exceed 50% of the Company’s net value.</p> <p>5.6.2 The total investments in securities, less the balances of money market funds issued by domestic securities investment trust companies, shall not exceed 110% of the Company’s net value.</p> <p>5.6.3 The limit for investments in individual securities shall not exceed 60% of the Company’s net value.</p> <p>5.6.4 The investment ratio in the Mainland area shall not exceed the limit stated in “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” issued by the Ministry of Economic Affairs.</p>	Amended the number.
<p>5.5.1.4 When the asset acquired or disposed of is equipment for business use for its right-of-use asset, and the counterparty is a non-related party, with a transaction amount fulfilling one of the following requirements:</p> <p>A. When a public company with a paid-in capital less than NT\$10 billion has a transaction amounting to NT\$500 million and above.</p> <p>B. When a public company with a paid-in capital of NT\$10 billion and above has a transaction amounting to NT\$1 billion and above.</p>	<p>5.7.1.4 When the asset acquired or disposed of is equipment for business use for its right-of-use asset, and the counterparty is a non-related party, with a transaction amount fulfilling one of the following requirements:</p> <p>A. When a public company with a paid-in capital less than NT\$10 billion has a transaction amounting to NT\$500 million and above.</p> <p>A. When a public company with a paid-in capital of NT\$10 billion and above has a transaction amounting to NT\$1 billion and above.</p>	Amended the number.
<p>5.5.1.5 For the acquisition or disposal of property for construction use or its</p>	<p>5.7.1.5 For the acquisition or disposal of property for construction use or</p>	Amended the number.

<p>right-of-use assets by a public company engaging in the construction business with a counterparty being a non-related party, with a transaction amount reaching NT\$500 million and above, when the paid-in capital reaches NT\$10 billion and above, the transaction amount shall be NT\$1 billion and above regarding the disposal of property under the self-built construction project completed, with a counterparty being a non-related party.</p>	<p>its right-of-use assets by a public company engaging in the construction business with a counterparty being a non-related party, with a transaction amount reaching NT\$500 million and above, when the paid-in capital reaches NT\$10 billion and above, the transaction amount shall be NT\$1 billion and above regarding the disposal of property under the self-built construction project completed, with a counterparty being a non-related party.</p>	
<p>5.5.1.6 For the acquisition of property through arrangements of engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, with a counterparty being a non-related party, and the Company estimates to invest NT\$500 million and above for the transaction.</p>	<p>5.7.1.6 For the acquisition of property through arrangements of engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, with a counterparty being a non-related party, and the Company estimates to invest NT\$500 million and above for the transaction.</p>	<p>Amended the number.</p>
<p>5.5.1.7 Except for asset transactions stated in the above subparagraphs, creditor's rights disposed of by financial institutions or investments in the Mainland with a transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million and above. However, this shall not apply to the following circumstances:</p> <p>A. Trading domestic government bonds or foreign government bonds with a credit rating no less than the sovereign rating in Taiwan.</p> <p>B. Securities transactions on stock exchanges or securities trading exchanges, subscriptions of foreign government bonds or general corporate bonds and general financial debentures (excluding subordinated debentures) not involving equity offered and issued in the primary market, or subscriptions or repurchase of securities investment trust funds or futures trust funds, or</p>	<p>5.7.1.7 Except for asset transactions stated in the above subparagraphs, creditor's rights disposed of by financial institutions or investments in the Mainland with a transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million and above. However, this shall not apply to the following circumstances:</p> <p>A. Trading domestic government bonds.</p> <p>B. Securities transactions on domestic or foreign stock exchanges or securities trading exchanges, subscriptions of general corporate bonds and general financial debentures (excluding subordinated debentures) not involving equity offered and issued in the domestic primary market, or subscriptions or repurchase of securities investment trust funds or futures trust funds by professional in-</p>	<p>Amended according to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and amended the number.</p>

<p>subscriptions or resales of index investment securities by professional investors, or subscriptions of securities by securities dealers who act as the consultation and recommendation securities dealers for companies listed on the TPEX in accordance with requirements of the TPEX due to the requirements of the underwriting business. C. Transactions of bonds with repurchase or resale agreements, or subscriptions or repurchases of money market funds issued by domestic securities investment trust companies.</p>	<p>vestors, or subscriptions of securities by securities dealers who act as the consultation and recommendation securities dealers for companies listed on the TPEX in accordance with requirements of the TPEX due to the requirements of the underwriting business. C. Transactions of bonds with repurchase or resale agreements, or subscriptions or repurchases of money market funds issued by domestic securities investment trust companies.</p>	
<p>5.7.1.2 When the differences between the appraisal result by a professional appraiser and the transaction amount reach 20% and above, except when the appraisal results for the acquisition of assets are higher than the transaction amount, or when the appraisal results for the disposal of assets are lower than the transaction amount, the Company shall inquire with the CPAs to express specified opinions on the adequacy of the reason of such differences and the transaction prices. The differences between the appraisal results and the transaction amount shall be based on the transaction amount.</p>	<p>5.7.1.2 When the differences between the appraisal result by a professional appraiser and the transaction amount reach 20% and above, except when the appraisal results for the acquisition of assets are higher than the transaction amount, or when the appraisal results for the disposal of assets are lower than the transaction amount, the Company shall require CPAs to comply with the Statements on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation, and express specified opinions on the adequacy of the reason of such differences and the transaction prices. The differences between the appraisal results and the transaction amount shall be based on the transaction amount.</p>	<p>Amended according to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p>
<p>5.7.1.3 When the transaction amount reaches NT\$1 billion and above, two professional appraisers and above shall be engaged for the appraisal; when the differences between the appraisal results by the two professional appraisers and above reach 10% of the transaction price and above, except when the appraisal results for the acquisition of assets are higher than the transaction amount, or when the appraisal results for the disposal of assets are lower than the transaction amount, the Company shall inquire with the CPAs to express specified opinions on the adequacy of the reason of such differences and the</p>	<p>5.7.1.3 When the transaction amount reaches NT\$1 billion and above, two professional appraisers and above shall be engaged for the appraisal; when the differences between the appraisal results by the two professional appraisers and above reach 10% of the transaction price and above, except when the appraisal results for the acquisition of assets are higher than the transaction amount, or when the appraisal results for the disposal of assets are lower than the transaction amount, the Company shall require CPAs to comply with the Statements on Auditing Stand-</p>	<p>Amended according to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p>

<p>transaction prices.</p>	<p>ards No. 20 issued by the Accounting Research and Development Foundation, and express specified opinions on the adequacy of the reason of such differences and the transaction prices.</p>	
<p>5.7.1.5 For the appraisal report or opinions of CPAs, attorneys, or securities underwriters obtained by the Company, the professional appraiser and its appraisal personnel, CPAs, attorneys, or securities underwriters shall comply with the following requirements:</p> <p>A. May not have previously received a final and unappealable sentence to imprisonment for one year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>B. May not be a related party or de facto related party of any party to the transaction.</p> <p>C. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the disciplinary specifications of its industry association and the following:</p> <p>A. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>B. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the con-</p>	<p>5.7.1.5 For the appraisal report or opinions of CPAs, attorneys, or securities underwriters obtained by the Company, the professional appraiser and its appraisal personnel, CPAs, attorneys, or securities underwriters shall comply with the following requirements:</p> <p>A. May not have previously received a final and unappealable sentence to imprisonment for one year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if three years have already passed since the completion of service of the sentence, since the expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>B. May not be a related party or de facto related party of any party to the transaction.</p> <p>C. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <p>A. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>B. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use</p>	<p>Amended the wording.</p>

<p>clusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>C. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>D. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	<p>the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>C. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>D. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	
<p>5.7.2 A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by CPAs, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p> <p>The calculation of the transaction amount in the preceding paragraph shall comply with requirements under 5.7.2, and the "within one year" refers to one year preceding the date of occurrence for the transaction; parts submitted to and approved by the Audit Committee and the Board according</p>	<p>5.7.2 A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by CPAs, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p>	<p>Amended according to the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."</p>

to the Procedures for the Acquisition and Disposal of Assets shall be exempted from the inclusion.	The calculation of the transaction amount in the preceding paragraph shall comply with requirements under 5.7.2, and the “within one year” refers to one year preceding the date of occurrence for the transaction; parts submitted to and approved by the Audit Committee and the Board according to the Procedures for the Acquisition and Disposal of Assets shall be exempted from the inclusion.	
Deleted	8.4Statement of Auditing Standards No. 20 “Adoption of Expert’s Report.”	Deleted the Article.

Attachment 6 :

Gallant Precision Machining Co., Ltd.

Comparison Table for the Articles of Incorporation

No.	Amended Provision	Current Provision	Reason for Amendment
Article 13	Shareholders' meetings of the Company are divided into annual shareholders' meetings and extraordinary shareholders' meetings; the annual shareholders' meeting shall be convened once a year within six months from the end of each fiscal year; the extraordinary meeting is convened when necessary. Shareholders' meetings of the Company may be convened via video conferences or other methods announced by the central competent authority. Except for otherwise stated in the Company Act, shareholders' meetings in the preceding paragraph shall be convened by the Board.	Shareholders' meetings of the Company are divided into annual shareholders' meetings and extraordinary shareholders' meetings; the annual shareholders' meeting shall be convened once a year within six months from the end of each fiscal year; the extraordinary meeting is convened when necessary. Except for otherwise stated in the Company Act, shareholders' meetings in the preceding paragraph shall be convened by the Board.	Established according to Article 172-2 of the Company Act.
Article 30-2	The Board of the Company may distribute the entire or partial dividends and bonuses for distribution, or statutory surplus reserve and capital reserve in cash through a resolution made by obtaining consent from more than half of the attending Directors at a Board meeting attended by more than two-thirds of Directors and report to the shareholders' meeting.	None.	Newly added based on actual operational requirements.
Article 34	The Articles were established on December 1, 1978. ..... The 29 <sup>th</sup> amendment was made on June 22, 2011. The 30 <sup>th</sup> amendment was made on	The Articles were established on December 1, 1978. ..... The 29 <sup>th</sup> amendment was made on June 22, 2011. The 30 <sup>th</sup> amendment was made on	Added the number and date of amendment and minor wording amendment

	<p>June 21, 2012.</p> <p>The 31<sup>st</sup> amendment was made on June 20, 2014.</p> <p>The 32<sup>nd</sup> amendment was made on June 17, 2015.</p> <p>The 33<sup>rd</sup> amendment was made on June 27, 2016.</p> <p>The 34<sup>th</sup> amendment was made on June 16, 2017.</p> <p>The 35<sup>th</sup> amendment was made on June 25, 2019.</p> <p>The 36<sup>th</sup> amendment was made on June 17, 2020.</p> <p>The 37<sup>th</sup> amendment was made on June 18, 2022.</p>	<p>June 21, 2012.</p> <p>The 31<sup>st</sup> amendment was made on June 20, 2014.</p> <p>The 32<sup>nd</sup> amendment was made on June 17, 2015.</p> <p>The 33<sup>rd</sup> amendment was made on June 27, 2016.</p> <p>The 34<sup>th</sup> amendment was made on June 16, 2017.</p> <p>The 35<sup>th</sup> amendment was made on June 25, 2019.</p> <p>The 36<sup>th</sup> amendment was made on June 17, 2020.</p>	
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Attachment 7 :

Gallant Precision Machining Co., Ltd.

Comparison Table for the Rules and Procedures of Shareholders' Meeting

No.	Amended Provision	Current Provision	Reason for Amendment
Article 2	<p>Shareholders in the Rules are shareholders themselves and proxies appointed by shareholders for attending meetings.</p> <p>Attending shareholders shall wear attendance cards and hand in a sign-in card in lieu of signing in.</p> <p>The number of shares in attendance shall be calculated according to the sign-in cards handed in.</p> <p>When the Company convenes its shareholders' meeting via a video conference, after the proxy form is delivered to the Company, in the event that the shareholder intends to attend the shareholders' meeting through a video call, a written declaration of intent to retract the appointment shall be made known to the Company two days before the shareholders' meeting. If the notice of retraction is submitted past due, the voting rights already exercised by the proxy shall prevail.</p>	<p>Shareholders in the Rules are shareholders themselves and proxies appointed by shareholders for attending meetings.</p> <p>Attending shareholders shall wear attendance cards and hand in a sign-in card in lieu of signing in.</p> <p>The number of shares in attendance shall be calculated according to the sign-in cards handed in.</p>	<p>Amended according to the "Regulations Governing the Administration of Shareholder Services of Public Companies" amended by the Financial Supervisory Commission on March 4, 2022.</p>
Article 3	<p>The attendance and voting shall be based on the calculation of shares.</p> <p>The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the video conference platform, plus the number of shares whose voting rights are exercised by proxies or electronically.</p>	<p>The attendance and voting shall be based on the calculation of shares.</p>	<p>Amended according to the "Regulations Governing the Administration of Shareholder Services of Public Companies" amended by the Financial Supervisory Commission on March 4, 2022.</p>
Article 4	<p>The venue for a shareholders meet-</p>	<p>The venue for a shareholders meet-</p>	<p>Amended according</p>

	<p>ing 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>The restrictions on the place of the meeting shall not apply when the Company convenes a shareholders' meeting via a video conference.</p>	<p>ing 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>to the "Regulations Governing the Administration of Shareholder Services of Public Companies" amended by the Financial Supervisory Commission on March 4, 2022.</p>
Article 8	<p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and the number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the 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. In the event of a shareholders' meeting via a video conference, the Company shall also declare the meeting adjourned on the video conference platform.</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</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 the number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the 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, tentative resolutions may be made according to paragraph 1, Article 175 of the Company Act.</p> <p>When, prior to the 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>	<p>Amended according to the "Regulations Governing the Administration of Shareholder Services of Public Companies" amended by the Financial Supervisory Commission on March 4, 2022.</p>

	<p>may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution, and another shareholders' meeting shall be convened within one month. In the event of a shareholders' meeting, shareholders intending to attend the meeting through a video call shall re-register with the Company.</p> <p>When, prior to the 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>		
Article 9	<p>If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. 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 at 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. 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),</p>	<p>If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution made at the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board. 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 shall</p>	<p>Amended according to the "Regulations Governing the Administration of Shareholder Services of Public Companies" amended by the Financial Supervisory Commission on March 4, 2022.</p>

	<p>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 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 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>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>	
Article 14	<p>Where a shareholders' meeting is convened via a video conference, shareholders attending the meeting through video calls may raise questions in writing on the video conference platform from the chair declaring the meeting open until the chair declares 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 Article 10 to Article 13 shall not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or be-</p>	<p>None.</p>	<p>Newly added, amended according to the "Regulations Governing the Administration of Shareholder Services of Public Companies" amended by the Financial Supervisory Commission on March 4, 2022.</p>

	<p>yond the scope of a proposal, it is advisable the questions be disclosed to the public on the video conference platform.</p>		
<p>Article 17</p>	<p>In the event of a shareholders’ meeting via a video conference, votes shall be counted at once after the chair announces the voting session ends, and the results of votes and elections shall be announced immediately. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting through video calls decide to attend the physical shareholders’ meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders’ meeting through video calls.</p> <p>When shareholders exercise voting rights in writing or through electronic means, unless they have withdrawn the declaration of intent and attended the shareholders’ meeting through video calls, 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.</p>	<p>None.</p>	<p>Newly added, amended according to the “Regulations Governing the Administration of Shareholder Services of Public Companies” amended by the Financial Supervisory Commission on March 4, 2022.</p>
<p>Article 22</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</p>	<p>When air alarms, earthquakes, fires, or other material disasters occur during the meeting, the chair shall announce the break of the meeting</p>	<p>Amended according to the “Regulations Governing the Administration of</p>

	rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.	and evacuate, respectively, and the chair shall announce a time when the meeting will be resumed one hour after the elimination of the circumstance.	Shareholder Services of Public Companies” amended by the Financial Supervisory Commission on March 4, 2022.
Article 23	<p>In the event of a shareholders’ meeting via a video conference, 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 video conference platform or participation in the shareholders’ meeting via a video conference is obstructed due to 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.</p> <p>For a shareholders’ 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.</p> <p>For a meeting to be postponed or resumed under the second paragraph, the number of shares repre-</p>	None.	Newly added, amended according to the “Regulations Governing the Administration of Shareholder Services of Public Companies” amended by the Financial Supervisory Commission on March 4, 2022.

	<p>sented 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.</p> <p>During a postponed or resumed session of a shareholders' meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted, and results have been announced, or a list of elected Directors and supervisors.</p> <p>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in the first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the 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 first paragraph is required.</p> <p>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online</p>		
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	<p>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.</p> <p>When postponing or resuming a meeting according to the first paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</p> <p>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 shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.</p>		
Article 26	<p>The rules were established on April 29, 1995.</p> <p>The 1<sup>st</sup> amendment was made on May 29, 1995.</p> <p>The 2<sup>nd</sup> amendment was made on May 14, 2002.</p> <p>The 3<sup>rd</sup> amendment was made on</p>	<p>The rules were established on April 29, 1995.</p> <p>The 1<sup>st</sup> amendment was made on May 29, 1995.</p> <p>The 2<sup>nd</sup> amendment was made on May 14, 2002.</p> <p>The 3<sup>rd</sup> amendment was made on</p>	<p>Added the number and date of the amendment.</p>

	July 5, 2021. The 4 <sup>th</sup> amendment was made on June 8, 2022.	July 5, 2021.	
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