



2023 General Shareholders' Meeting Meeting Agenda

**Physical shareholders' meeting
May 31, 2023 at 9:00 a.m.
No.8, Dongxing Road, SongShan District,
Taipei City, Taiwan (R.O.C.)**

Translation – In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Table of Contents

		Page
1	Meeting Agenda	3
2	Report Items	4
3	Items to be Adopted	4
4	Items for Discussion	5
5	Provisional Motions	5
6	Meeting Adjourned	5
Appendixes		
I	2022 Business Report	6
II	2022 Audit Committee's Review Report	8
III	2022 Consolidated Financial Statements and Financial Statements	9
IV	2022 Earnings Distribution Proposal	33
V	Comparison table of Amendments to "Articles of Incorporation"	34
VI	Articles of Incorporation	35
VII	Rules and Procedures of Shareholders' Meeting	40
VIII	Shareholdings of Directors	50

President Securities Corp.

2023 Annual Shareholders' Meeting Agenda

- (1) Meeting convening method: Physical shareholders' meeting
- (2) Time: May 31, 2023 at 9:00 a.m.
- (3) Venue: No.8, Dongxing Road, SongShan District, Taipei City, Taiwan (R.O.C)
- (4) Agenda for the 2023 General Shareholders' Meeting
 - 1) Meeting called to order (Report on the total number of shareholders and shareholder representatives in attendance)
 - 2) Opening Remarks from the Chairman
 - 3) Report Items
 - i. 2022 Business Report
 - ii. 2022 Audit Committee's Review Report
 - iii. 2022 Remuneration of Employees and Directors
 - 4) Items to be Adopted
 - i. Adoption of the 2022 business report, consolidated financial statements and financial statements
 - ii. Adoption of the Proposal for the 2022 earnings distribution
 - 5) Items for Discussion
 - i. Amendment to the Articles of Incorporation, and please discuss.
 - 6) Provisional Motions
 - 7) Meeting Adjourned

2. Report Items

(1) 2022 Business Report

Explanation: The Company's Business Report for 2022, please see Appendix I (page 6~7)

(2) 2022 Audit Committee's Review Report

Explanation: For 2022 Audit Committee's Review Report, please see Appendix II (page 8)

(3) 2022 Remuneration of Employees and Directors

Explanation:

- 1) Comply with the Ordinance No. 10402413890(June 11, 2015) and the Ordinance No. 10402427800(October 15, 2015) issued by the Ministry of Economic Affairs.
- 2) In accordance with Article 23 of the Company's bylaws, the Company will distribute compensation to employees and the Directors from pre-tax profits. Where the company has pre-tax profits, the total value of funds to be distributed among employees shall not be less than 1.6% of pre-tax profits; while the total value of funds to be distributed among the Directors shall not be more than 2% of pre-tax profits. If the company has losses carried forward, compensation should only be paid to employees and Directors after funds have been set aside as reserve for such losses.
- 3) The proposal of 2022 Remuneration of Employees and Directors has been approved by the 10th meeting of the 5th Remuneration Committee and the 10th meeting of 12th Board of Directors. It is proposed that a total of NT\$19,014,210 (2%) to be distributed to employees and NT\$19,014,210 (2%) to be distributed to Directors in accordance with the allocation rules of the 2nd meeting of the 12th Board of Directors. The above mentioned compensation will be in cash.

3. Items to be Adopted

■ Motion 1 (proposed by the Board of Directors)

Topic: Adoption of the 2022 business report, consolidated financial statements and financial statements

Explanation:

- (1) The 2022 consolidated financial statements and the financial statements have already been successfully audited by CPA Lin, Se-Kai and CPA Lo, Chiao-Sen of PricewaterhouseCoopers Taiwan.
- (2) The business report, the consolidated financial statements and the financial statements have been reviewed by the Audit Committee and approved by the 10th Meeting of the Twelfth term Board of Directors (March 8, 2023)
- (3) For the business report, the consolidated financial statements and the financial statements, please see Appendix I (page 6-7) and Appendix III (page 9-32).

■ Motion 2 (Proposed by the Board of Directors)

Topic: Adoption of the Proposal for the 2022 earnings distribution

Explanation:

- (1) The proposal for distribution of 2022 earnings are prepared in accordance with regulations and the Company's Articles of Incorporation. Please refer to the 2022 Earnings Distribution Proposal as Appendix IV (page 33).
- (2) The distributable earnings in this period are NT\$573,098,196. This number is based on the unappropriated earnings of NT\$4,149,902 at the beginning of the period, increasing by \$83,414,928 as a result of remeasurement of defined benefit plans and plus the after-tax net profit of NT\$729,368,350 in 2022, and then setting aside legal reserve(10%) , special

reserve(20%). Proposed cash dividend is \$567,774,224, which is equivalent to \$0.39 per share. Upon the approval of Shareholders' Meeting, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date.

- (3) In the event that the shares outstanding changes, it is proposed that the Board of Directors be authorized to adjust the amount per share to be distributed to shareholders based on the number of actual shares outstanding on the record date for distribution. Dividends of less than \$1 shall be transferred to the Company's Employee Benefit Council.

4. Items for Discussion

■ Item 1 (Proposed by the Board of Directors)

Topic : Amendment to the Articles of Incorporation, and please discuss.

Explanation:

- (1) According to the first point of Corporate Governance 3.0 -Sustainable Development Roadmap issued by the FSC. Strengthening duties and functions of boards: TWSE/TPEX-listed financial institutions and insurance companies will, starting in 2024, be required to have independent directors make up no less than one third of the directors (applicable at the end of term for existing directors), and have 50% or more of the independent directors serve no more than three consecutive terms (applicable at the end of term for existing directors). For chart comparing the changes, please see Appendix V (page 34).

5. Provisional Motions

6. Meeting Adjourned

2022 Business Report

[Macroeconomic Environment and Business Plan]

Amid a slowdown in the global economy owing to the Ukraine-Russia war, which has led to soaring inflation and hawkish monetary policies evidenced by interest rate hikes in countries around the world, both the stock and bond markets suffered a series of routs triggered by sell-offs by foreign investors for the first time in 2022. Specifically, the Taiwan Stock Exchange Capitalization Weighted Stock Index (TAIEX) oscillated downwards from an intraday high of 18,619.61 points at the beginning of the year to 14,137.69 points at the end of the year, down 4,081.15 points or 22.40% throughout the year. In 2022, our management team at PSC not only managed to control risks in our positions in an environment manifested by great volatility in both the stock and bond markets, but also sought opportunities in all our businesses by weighing both risks and profitability to maintain stable profits.

[Implementation Overview and Outcomes]

In the brokerage business, PSC recorded an average daily market volume of NT\$305.163 billion in 2022, down 36.13% from NT\$477.810 billion in 2021, and ranked 11th in the brokerage market with an average market share of 2.8236% in 2022 amid TAIEX facing a sharp fall of 4,081.15 points throughout the year. Therefore, we will not only bolster our trading system in the direction of integrating a diverse range of financial products and offer high-quality services with a variety of products to enhance channel value and customer satisfaction, but also step up efforts on an ongoing basis to manage our social media to raise brand awareness, maintain stable profits, and increase market share in the future. In the underwriting business, PSC ranked 6th with a total of 48 underwriting and co-underwriting cases undertaken in 2022. Based on our principle of carefully selecting underwriting cases and industries coupled with an emphasis on credit risk, we have not only helped companies get listed on either the Taiwan Stock Exchange (TWSE) or the Taipex Exchange (TPEX) and raise capital, but also attached great importance to risk control in underwriting positions. Moving forward, we will continue to acquire high-quality customers with a lean team and carry out advance planning through our venture capital platform to expand our businesses and seize business opportunities. On the other hand, with the proprietary trading business experiencing increased difficulty in trading following a downward oscillation of TAIEX caused by several factors, including global economic recession, interest rate hikes, and sell-offs by foreign investors, our proprietary trading team has properly managed our positions through a number of strategies such as strict selection of niche stocks, value investment, and hedging in tandem with the macro environment, aimed at maintaining our overall operational risk within a manageable range. Furthermore, we have designed and launched a wide array of financial products in combination with the advantage of our proprietary trading team to provide investors with a broader selection of financial products.

[Profitability Analysis and Operating Income/Expenditure in Budget Execution]

In the light of unremitting efforts to drive transformation and expand our businesses, our outstanding business team has successfully maintained stable profits with their solid operational experience and stringent risk control mechanisms in 2022. On the whole, PSC recorded a total of NT\$5.274 billion in operating revenue, NT\$4.562 billion in expenses and fees, NT\$201 million in other operating income, NT\$729 million in net profit after tax, and NT\$0.50 in earnings per share, along with a ROA of 1.02% and a ROE of 2.38%. In 2023, we will continue to keep track of our overall business development and budget execution at all times, and achieve all our budget targets with flexible and dynamic controls.

[Future Operational Directions]

Looking ahead to 2023, monetary policy tightening in countries around the world, the U.S.-China tech war, and geopolitical risks remain critical uncertainties for global economic and trade growth despite expectations that the global economic growth momentum will stabilize in the coming year. We will carry on leveraging our operations team's advantage to keep track of market opportunities, carefully assess investment benefits, and implement risk control, with the aim of pursuing stable profits over the long run. Moreover, we will progress towards digital development via active utilization of financial technology, and provide investors with a stable, secure, flexible, and diversified trading environment platform to enhance our competitiveness in the market based on a customer-oriented approach. At the same time, we will also bolster corporate governance and fulfill social responsibilities while maintaining our approach of gaining victory through stability by implementing steady and pragmatic business strategies, so that we can create value for our company and protect stakeholders' interests.



Audit Committee's Review Report

To: The General Meeting of Shareholders as of year 2023

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and Earnings Distribution Plan. The financial statements have been audited and certified by Se-Kai, Lin and Chiao-Sen, Lo of PricewaterhouseCoopers Certified Public Accountants, who issued an auditors' report. The aforementioned Business Report, Financial Statements, and Earnings Distribution Plan have been reviewed and determined to be fairly presented as stated by the Audit Committee members. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

President Securities Corporation
Convener of Audit Committee:

A handwritten signature in blue ink, appearing to read "Lin Liang", written over a horizontal line.

April 21, 2023

To the Board of Directors and Shareholders of PRESIDENT SECURITIES CORPORATION

Opinion

We have audited the accompanying consolidated balance sheets of President Securities Corporation and subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms, and Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. 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 2022 consolidated financial statements are stated as follows:

Fair value measurement of unlisted stocks without active market

Description

Please refer to Note 4(8) for the accounting policies on unlisted stocks without active market (shown

as “financial assets at fair value through other comprehensive income”) and Note 5(2) for details of critical accounting judgements, estimates and assumption uncertainty. As at December 31, 2022, the unlisted stocks without active market held by the Group totaled 1,179,907 thousand New Taiwan Dollars and were shown as “financial assets at fair value through other comprehensive income” (Level 3 fair value).

Due to the lack of an active market, the fair value of the unlisted stocks held by the Group was determined using valuation method. Management measured their fair value by using comparable listed companies in the market approach. The main assumptions of the market approach are calculated based on the latest related parameters of comparable listed companies in similar industries and considering discounts on market liquidity or assessment of risk.

Above-mentioned estimation of fair value involves various assumptions and material unobservable inputs, which has high uncertainty and relies on the subjective judgement of management. Any changes in judgements and estimates may affect the ultimate result of accounting estimates and have an impact on the financial statements of the Group. Thus, we have included the fair value measurement of unlisted stocks without active market as a key audit matter in our audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed policy documents, internal control system, fair value measurement models and approval processes that are related to fair value measurement of unlisted stocks;
2. Ascertained whether the measurement methods used by the management is commonly used by the industry;
3. Assessed the reasonableness of parameter of similar companies used by management;
4. Examined inputs and calculation formulas used in valuation models and agreed such data to supporting documents.

Impairment indication assessment of investments accounted for under the equity method

Description

Please refer to Note 4(14) for accounting policies on investments accounted for under the equity method and its impairment, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on asset impairment, and Note 6(12) for details of investments accounted for under the equity method.

The Group held 42.49% of equity of Uni-President Asset Management Corp. which was accounted for under the equity method, and the excess of the carrying amount over the share of the investee company’s net assets is mainly goodwill. As of December 31, 2022, the amount was 748,080 thousand New Taiwan Dollars. Impairment assessment is based on the expected future cash flow of the investee, discounted at an appropriate discount rate, to measure the recoverable amount of the cash generating unit.

The recoverable amount of the investee is based on its expected future cash flows which involve multiple estimates and assumptions on discount rate and financial forecast. These are subjective judgements,

have a high degree of uncertainties, and are material to the recoverable amount. Thus, we consider the impairment assessment of investments accounted for under the equity method as one of the matters of most significance to our audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the impairment assessment report prepared by an external valuation expert who was commissioned by the management and reviewed the achievement of the past financial forecast to assess its execution;
2. Assessed the reasonableness of expected future cash flows, discount rate and other significant assumptions applied in the cash flow model;
3. Inspected valuation model parameters, formula setting and the accuracy of calculation.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of President Securities Corporation, as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

Lin, Se-Kai

Independent Auditors

Lo, Chiao-Sen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

The accompanying consolidated financial statements are not intended to present the financial position and finance performance 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 independent auditors' report are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
110000 Current assets					
111100 Cash and cash equivalents	6(1)	\$ 6,194,573	6	\$ 5,757,012	5
112000 Financial assets at fair value through profit or loss - current	6(2)	24,395,868	26	33,582,989	29
113200 Financial assets at fair value through other comprehensive income - current	6(3)	2,497,782	3	410,205	-
114010 Bonds purchased under resale agreements	6(4)	-	-	27,401	-
114030 Margin loans receivable	6(5)	10,533,221	11	18,344,751	16
114040 Refinancing security deposits		94,136	-	29,930	-
114050 Receivables from refinance guaranty		72,399	-	24,933	-
114060 Receivable of securities business money lending		4,094,908	4	1,581,993	1
114070 Customer margin account	6(6)	20,783,255	22	21,335,532	18
114090 Receivables from security lending		1,159,577	1	401,019	-
114100 Security lending deposits		3,377,630	4	1,437,295	1
114110 Notes receivable		763	-	819	-
114130 Accounts receivable	6(7)	10,140,951	11	16,727,693	14
114140 Accounts receivable-related parties	6(7)	1,195	-	1,147	-
114150 Prepayments		38,289	-	25,012	-
114170 Other receivables	6(8)	60,108	-	33,289	-
114600 Current tax assets		43	-	1,974	-
119000 Other current assets	6(9)	1,950,961	2	8,962,046	8
110000 Total current assets		85,395,659	90	108,685,040	92
120000 Non-current assets					
122000 Financial assets at fair value through profit or loss - non-current	6(2)	99,283	-	76,724	-
123200 Financial assets at fair value through other comprehensive income - non-current	6(3)	1,179,907	1	1,137,756	1
124100 Investments accounted for under the equity method	6(12)	3,512,098	4	3,123,984	3
125000 Property and equipment, net	6(13)	2,609,642	3	2,447,128	2
125800 Right-of-use assets	6(14)	165,557	-	204,621	-
126000 Investment property	6(16)	266,302	-	268,402	1
127000 Intangible assets	6(17)	246,506	-	195,468	-
128000 Deferred tax assets	6(47)	106,146	-	160,587	-
129000 Other assets - non-current	6(18)	1,309,762	2	1,388,189	1
120000 Total non-current assets		9,495,203	10	9,002,859	8
906001 Total Assets		\$ 94,890,862	100	\$ 117,687,899	100

(Continued)

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
210000	Current liabilities				
211100	Short-term loans	6(19) \$ 275,000	-	\$ 590,000	1
211200	Commercial papers payable	6(20) 5,827,431	6	8,648,558	7
212000	Financial liabilities at fair value through profit or loss - current	6(21) 9,157,320	10	8,172,602	7
214010	Bonds sold under repurchase agreements	6(22) 6,965,424	7	9,643,040	8
214040	Deposits on short sales	1,809,356	2	1,202,587	1
214050	Short sale proceeds payable	1,809,962	2	1,559,162	1
214070	Guarantee deposit received on borrowed securities	1,806,591	2	1,969,207	2
214080	Futures traders' equity	6(6) 20,763,586	22	21,328,174	18
214090	Equity for each customer in the account	265,926	-	97,996	-
214130	Accounts payable	6(23) 10,852,394	12	18,338,212	16
214150	Advance receipts	2,276	-	4,037	-
214160	Collections on behalf of third parties	744,720	1	5,742,100	5
214170	Other payables	6(24) 1,582,207	2	2,627,923	2
214200	Other financial liabilities - current	6(25) 2,784,086	3	4,983,139	4
214600	Current tax liability	161,117	-	647,642	1
216000	Current lease liabilities	72,740	-	70,740	-
219000	Other current liabilities	83,213	-	83,848	-
210000	Total current liabilities	<u>64,963,349</u>	<u>69</u>	<u>85,708,967</u>	<u>73</u>
220000	Non-current liabilities				
225100	Non-current provisions	15,418	-	14,079	-
226000	Non-current lease liabilities	86,061	-	125,840	-
228000	Deferred tax liabilities	6(47) 11,618	-	3,098	-
229000	Other liabilities-non-current	6(26) 7,928	-	69,285	-
220000	Total non-current liabilities	<u>121,025</u>	<u>-</u>	<u>212,302</u>	<u>-</u>
906003	Total Liabilities	<u>65,084,374</u>	<u>69</u>	<u>85,921,269</u>	<u>73</u>
300000	Equity attributable to owners of the parent company				
301000	Capital				
301010	Common stock	6(28) 14,558,313	15	14,558,313	13
302000	Capital reserve	6(28) 91,261	-	91,261	-
304000	Retained earnings	6(28)(29)			
304010	Legal reserve	3,877,849	4	3,487,748	3
304020	Special reserve	9,090,989	10	8,314,199	7
304040	Unappropriated earnings	816,933	1	3,922,562	3
305000	Other equity interest	1,283,747	1	1,309,501	1
300000	Total	<u>29,719,092</u>	<u>31</u>	<u>31,683,584</u>	<u>27</u>
306000	Non-controlling interests	87,396	-	83,046	-
906004	Total Equity	<u>29,806,488</u>	<u>31</u>	<u>31,766,630</u>	<u>27</u>
906002	Total liabilities and equity	<u>\$ 94,890,862</u>	<u>100</u>	<u>\$ 117,687,899</u>	<u>100</u>

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

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
400000	Revenues				
401000	Brokerage handling fee revenue	\$ 3,278,162	52	\$ 5,027,229	43
404000	Revenues from underwriting business	86,465	1	104,035	1
406000	Net gain (loss) on wealth management	38,150	1	32,127	-
410000	Net gain (loss) on sale of operating securities	(3,228,826)	(51)	8,731,043	75
421100	Revenue from providing agency service for stock affairs	88,720	1	85,749	1
421200	Interest income	943,535	15	1,198,206	10
421300	Dividend income	1,278,136	20	457,445	4
421500	Net valuation gain (loss) on operating securities at fair value through profit or loss	(940,274)	(15)	(831,627)	(7)
421600	Net gain (loss) on covering of borrowed securities and bonds with resale agreements-short sales	482,271	8	(181,893)	(1)
421610	Net valuation gain (loss) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	1,381,017	22	(313,159)	(3)
422000	Net gain (loss) on issuance of ETNs	546,571	9	76,579	1
422100	Administrative and handling fee revenues from issuance of ETNs	11,799	-	17,312	-
422200	Net gain (loss) from issuance of call (put) warrants	1,473,984	24	(2,896,956)	(25)
424400	Net gain (loss) from derivatives	158,289	3	(640,393)	(5)
425300	Expected credit impairment loss and reversal of impairment gain	22,291	-	10,976	-
428000	Other operating income	651,046	10	744,946	6
	Total revenues	<u>6,271,336</u>	<u>100</u>	<u>11,621,619</u>	<u>100</u>
500000	Expenditures and expenses				
501000/					
502000/					
503000	Handling charges	(550,760)	(9)	(755,578)	(7)
507000	ETNs administrative expenses	(9,634)	-	(6,863)	-
521200	Financial costs	(183,332)	(3)	(101,287)	(1)
524100	Futures commission expense	(108,088)	(2)	(86,289)	(1)
524300	Expense of clearing and settlement	(144,658)	(2)	(140,732)	(1)
528000	Other operating expenditure	(2)	-	(3,062)	-
531000	Employee benefits expense	(2,516,485)	(40)	(4,002,344)	(34)
532000	Depreciation and amortization	(276,298)	(4)	(227,553)	(2)
533000	Other operating expenses	(1,784,465)	(29)	(2,030,357)	(17)
	Total expenditures and expenses	<u>(5,573,722)</u>	<u>(89)</u>	<u>(7,354,065)</u>	<u>(63)</u>

(Continued)

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Operating profit		\$ 697,614	11	\$ 4,267,554	37
601000 Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(12)	(97,702)	(1)	78,359	-
602000 Other gains and losses	6(46)	373,789	6	323,522	3
902001 Profit (loss) before tax		973,701	16	4,669,435	40
701000 Income tax (expense) benefit	6(47)	(237,456)	(4)	(658,062)	(5)
902005 Net income		<u>\$ 736,245</u>	<u>12</u>	<u>\$ 4,011,373</u>	<u>35</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
805510 Gain (loss) on remeasurements of defined benefit plans		\$ 102,649	1	(\$ 125,747)	(1)
805540 Net unrealized gain (loss) from investments in equity instruments at fair value through other comprehensive income		(68,904)	(1)	486,836	4
805550 Other comprehensive gain (loss) of associates and joint ventures accounted for under the equity method		1,945	-	29,118	-
805599 Income tax (expense) benefit relating to components of other comprehensive income	6(47)	(20,530)	-	25,149	-
Items may be reclassified to profit of loss subsequently					
805610 Translation gain (loss) on the financial statements of foreign operating entities		168,819	3	(34,891)	-
805615 Net unrealized gain (loss) from investments in debt instruments at fair value through other comprehensive income		(126,051)	(2)	-	-
805000 Current other comprehensive income (loss) (post-tax)		<u>\$ 57,928</u>	<u>1</u>	<u>\$ 380,465</u>	<u>3</u>
902006 Total current comprehensive income (loss)		<u>\$ 794,173</u>	<u>13</u>	<u>\$ 4,391,838</u>	<u>38</u>
Income (loss) attributable to:					
913100 Parent company		<u>\$ 729,368</u>	<u>12</u>	<u>\$ 4,007,435</u>	<u>35</u>
913200 Non-controlling interests		<u>\$ 6,877</u>	<u>-</u>	<u>\$ 3,938</u>	<u>-</u>
Current comprehensive income (loss) attributable to:					
914100 Parent company		<u>\$ 787,029</u>	<u>13</u>	<u>\$ 4,376,026</u>	<u>38</u>
914200 Non-controlling interests		<u>\$ 7,144</u>	<u>-</u>	<u>\$ 15,812</u>	<u>-</u>
Earnings per share	6(48)				
975000 Basic earnings per share (in dollars)		<u>\$ 0.50</u>		<u>\$ 2.75</u>	
985000 Diluted earnings per share (in dollars)		<u>\$ 0.50</u>		<u>\$ 2.75</u>	

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

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent						Other equity interest		Total	Non-controlling interests	Total equity
	Notes	Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income			
For the years ended December 31, 2021											
Balance at January 1, 2021		\$ 13,998,378	\$ 91,261	\$ 3,111,013	\$ 7,600,316	\$ 3,771,859	(\$ 30,918)	\$ 865,406	\$ 29,407,315	\$ 72,167	\$ 29,479,482
Net income for the years ended December 31, 2021		-	-	-	-	4,007,435	-	-	4,007,435	3,938	4,011,373
Other comprehensive income (loss) for the years ended December 31, 2021		-	-	-	-	(106,422)	(34,891)	509,904	368,591	11,874	380,465
Total comprehensive income (loss)		-	-	-	-	3,901,013	(34,891)	509,904	4,376,026	15,812	4,391,838
Appropriations of 2020 earnings:	6(29)										
Legal reserve		-	-	376,735	-	(376,735)	-	-	-	-	-
Special reserve		-	-	-	713,883	(713,883)	-	-	-	-	-
Cash dividends		-	-	-	-	(2,099,757)	-	-	(2,099,757)	-	(2,099,757)
Stock dividends		559,935	-	-	-	(559,935)	-	-	-	-	-
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(4,933)	(4,933)
Balance at December 31, 2021		\$ 14,558,313	\$ 91,261	\$ 3,487,748	\$ 8,314,199	\$ 3,922,562	(\$ 65,809)	\$ 1,375,310	\$ 31,683,584	\$ 83,046	\$ 31,766,630
For the year ended December 31, 2022											
Balance at January 1, 2022		\$ 14,558,313	\$ 91,261	\$ 3,487,748	\$ 8,314,199	\$ 3,922,562	(\$ 65,809)	\$ 1,375,310	\$ 31,683,584	\$ 83,046	\$ 31,766,630
Net income for the year ended December 31, 2022		-	-	-	-	729,368	-	-	729,368	6,877	736,245
Other comprehensive income (loss) for the year ended December 31, 2022		-	-	-	-	83,415	168,819	(194,573)	57,661	267	57,928
Total comprehensive income (loss)		-	-	-	-	812,783	168,819	(194,573)	787,029	7,144	794,173
Appropriations of 2021 earnings:	6(29)										
Legal reserve		-	-	390,101	-	(390,101)	-	-	-	-	-
Special reserve		-	-	-	776,790	(776,790)	-	-	-	-	-
Cash dividends		-	-	-	-	(2,751,521)	-	-	(2,751,521)	-	(2,751,521)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(2,794)	(2,794)
Balance at December 31, 2022		\$ 14,558,313	\$ 91,261	\$ 3,877,849	\$ 9,090,989	\$ 816,933	\$ 103,010	\$ 1,180,737	\$ 29,719,092	\$ 87,396	\$ 29,806,488

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

PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 973,701	\$ 4,669,435
Adjustments			
Income and expenses having no effect on cash flows			
Net valuation (gain) loss on operating securities at fair value through profit or loss	6(2)(34)	940,274	831,627
Net valuation (gain) loss on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(36)	(1,381,017)	313,159
Expected credit impairment loss and reversal of impairment gain	6(39)	(20,944)	(7,664)
Depreciation	6(44)	218,824	189,361
Amortization	6(44)	57,474	38,192
Financial expense	6(42)	183,332	101,287
Interest income (include financial income)	6(33)(46)	(1,173,506)	(1,309,993)
Dividend income		(1,307,234)	(487,052)
Share of the profit of associates and joint ventures accounted for under the equity method	6(12)	97,702	(78,359)
(Gain) loss on disposal of property and equipment	6(13)	4	3
(Gain) loss from lease modification		(98)	(17)
(Gain) loss on valuation of non-operating financial instrument	6(46)	12,551	24,318
Impairment loss of non-financial assets		15,244	-
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		8,211,928	7,161,039
Financial assets at fair value through other comprehensive income		(2,259,620)	-
Bonds purchased under resale agreements		27,401	(27,401)
Margin loans receivable		7,830,648	(6,085,072)
Refinancing security deposits		(64,206)	21,602
Receivables from refinance guaranty		(47,466)	17,956
Receivable of securities business money lending		(2,512,915)	(293,866)
Customer margin account		552,277	(229,362)
Receivables from security lending		(758,558)	(160,223)
Security lending deposits		(1,940,335)	(430,205)
Notes receivable		56	(82)
Accounts receivable		6,619,848	2,159,195
Accounts receivable-related parties		(48)	(272)
Prepayments		(13,277)	(712)
Other receivables		(2,273)	(8,801)
Other current assets		7,011,085	(5,617,419)
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		2,365,735	5,235,024
Bonds sold under repurchase agreements		(2,677,616)	(9,453,125)
Deposits on short sales		606,769	(178,883)
Short sale proceeds payable		250,800	(250,793)
Guarantee deposit received on borrowed securities		(162,616)	1,065,355
Futures traders' equity		(564,588)	241,040
Equity for each customer in the account		167,930	69,891
Accounts payable		(7,548,751)	(778,723)
Advance receipts		(1,761)	(1,105)
Collections on behalf of third parties		(4,997,380)	4,641,035
Other payables		(1,048,366)	511,276
Other financial liabilities - current		(2,199,053)	(1,025,171)
Other current liabilities		(635)	618

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PRESIDENT SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
Cash inflow generated from operations		\$ 5,461,320	\$ 867,113
Interest received		1,167,360	1,219,615
Dividends received		1,501,361	585,425
Income tax paid		(679,619)	(382,965)
Net cash flows from operating activities		<u>7,450,422</u>	<u>2,289,188</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for under the equity method		(656,781)	-
Acquisition of property and equipment	6(13)	(106,194)	(52,406)
Proceeds from disposal of property and equipment		-	54
Acquisition of intangible assets	6(17)	(51,645)	(46,025)
(Increase) decrease in other non-current assets		72,822	(88,658)
(Increase) decrease in prepayment for equipment		(201,230)	(139,960)
Net cash flows used in investing activities		<u>(943,028)</u>	<u>(326,995)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term loans		(315,000)	(356,276)
Increase (decrease) in commercial papers payable		(2,820,000)	1,350,000
Increase (decrease) in other non-current liabilities		(328)	(1,982)
Payments of lease liabilities		(93,056)	(93,325)
Interest paid		(166,292)	(108,079)
Distribution of cash dividends		(2,751,521)	(2,099,757)
Changes in non-controlling interest		(2,794)	(4,933)
Net cash flows used in financing activities		<u>(6,148,991)</u>	<u>(1,314,352)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>79,158</u>	<u>(15,691)</u>
Net increase in cash and cash equivalents		437,561	632,150
Cash and cash equivalents at beginning of year		<u>5,757,012</u>	<u>5,124,862</u>
Cash and cash equivalents at end of year		<u>\$ 6,194,573</u>	<u>\$ 5,757,012</u>

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

To the Board of Directors and Shareholders of President Securities Corporation

Opinion

We have audited the accompanying parent company only balance sheets of President Securities Corporation (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms and Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters of the Company's 2022 parent company only financial statements are stated as follows:

Fair value measurement of unlisted stocks without active market

Description

Please refer to Note 4(7) for the accounting policies on unlisted stocks without active market (shown as “financial assets at fair value through other comprehensive income”) and Note 5 for details of significant judgements, estimates and assumption uncertainty. As at December 31, 2022, the unlisted stocks without active market held by the Company totaled 294,855 thousand New Taiwan Dollars and were shown as “financial assets at fair value through other comprehensive income” (Level 3 fair value).

Due to the lack of an active market, the fair value of the unlisted stocks held by the Company was determined using valuation method. Management measured its fair value by using comparable listed companies in market approach. The main assumption of market approach is calculated based on the latest related parameters of comparable listed companies in similar industries and considering discounts on market liquidity or risk particularity.

Above-mentioned estimation of fair value involves various assumptions and material unobservable inputs, which has high uncertainty and relies on the subjective judgment of management. Any changes in judgements and estimates may affect the ultimate result of accounting estimates and have an impact on the financial statements of the Company. Thus, we have included the fair value measurement of unlisted stocks without active market as a key audit matter in our audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed policy documents, internal control system, fair value measurement models and approval processes that are related to fair value measurement of unlisted stocks;
2. Ascertained whether the measurement methods used by the management is commonly used by the industry;
3. Assessed the reasonableness of parameter of similar companies used by management;
4. Examined inputs and calculation formulas used in valuation methods and agreed such data to supporting documents.

Impairment indication assessment of investments accounted for under the equity method

Description

Please refer to Note 4(13) for accounting policies on investments accounted for under the equity method and its impairment, Note 5(2) for the uncertainty of accounting estimates and assumptions applied on asset impairment, and Note 6(11) for details of investments accounted for under the equity method.

The Company held 42.46% of equity of Uni-President Asset Management Corp. which was accounted for under the equity method, and the excess of the carrying amount over the share of the investee company's net assets is mainly goodwill. As of December 31, 2022, the amount was 747,473 thousand New Taiwan Dollars. Impairment assessment is based on the expected future cash flow of the investee, discounted at an appropriate discount rate, to measure the recoverable amount of the cash generating unit.

The recoverable amount of the investee is based on its expected future cash flows which involve multiple estimates and assumptions on discount rate and financial forecast. These are subjective judgements, have a high degree of uncertainties, and are material to the recoverable amount. Thus, we consider the impairment assessment of investments accounted for under the equity method as one of the matters of most significance to our audit.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained the impairment assessment report prepared by an external valuation expert who was commissioned by the management and reviewed the achievement of the past financial forecast to assess its execution;
2. Assessed the reasonableness of expected future cash flows, discount rate and other significant assumptions applied in the cash flow model; and
3. Inspected valuation model parameters, formula setting and the accuracy of calculation.

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, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statement 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 audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and 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 parent company only 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 of the current period 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.

Lin, Se-Kai

Independent Auditors

Lo, Chiao-Sen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

The accompanying parent company only financial statements are not intended to present the financial position and financial performance 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 company only financial statements and independent auditors' report are not intended for use by those who are not informed about the Standards on Auditing of the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
110000	Current assets					
111100	Cash and cash equivalents	6(1)	\$ 3,192,794	4	\$ 3,082,958	3
112000	Financial assets at fair value through profit or loss - current	6(2)	24,015,200	33	33,286,663	35
113200	Financial assets at fair value through other comprehensive income - current	6(3)	2,497,782	3	410,205	1
114010	Bonds purchased under resale agreements	6(4)	-	-	27,401	-
114030	Margin loans receivable	6(5)	10,533,221	14	18,344,751	19
114040	Refinancing security deposits		94,136	-	29,930	-
114050	Receivables from refinance guaranty		72,399	-	24,933	-
114060	Receivable of securities business money lending		4,094,908	6	1,581,993	2
114090	Receivables from security lending		1,159,577	2	401,019	-
114100	Security lending deposits		3,377,630	5	1,437,295	2
114110	Notes receivable		763	-	470	-
114130	Accounts receivable	6(6)	10,129,755	14	16,549,427	17
114140	Accounts receivable - related parties	6(6)	4,717	-	4,792	-
114150	Prepayments		33,654	-	21,059	-
114170	Other receivables	6(7)	16,656	-	5,709	-
119000	Other current assets	6(8)	1,870,428	2	7,992,320	8
110000	Total current assets		<u>61,093,620</u>	<u>83</u>	<u>83,200,925</u>	<u>87</u>
120000	Noncurrent assets					
122000	Financial assets at fair value through profit or loss - non-current	6(2)	66,383	-	62,774	-
123200	Financial assets at fair value through other comprehensive income - non-current	6(3)	294,855	1	258,627	-
124100	Investments accounted for under the equity method	6(11)	8,085,345	11	7,518,999	8
125000	Property and equipment, net	6(12)	2,413,110	3	2,271,270	3
125800	Right-of-use assets	6(13)	155,095	-	191,960	-
126000	Investment property	6(15)	266,302	-	268,402	1
127000	Intangible assets	6(16)	187,393	-	145,690	-
128000	Deferred tax assets	6(46)	103,665	-	155,567	-
129000	Other assets - non-current	6(17)	1,071,888	2	1,117,438	1
120000	Total non-current assets		<u>12,644,036</u>	<u>17</u>	<u>11,990,727</u>	<u>13</u>
906001	Total Assets		<u>\$ 73,737,656</u>	<u>100</u>	<u>\$ 95,191,652</u>	<u>100</u>

(Continued)

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
210000 Current liabilities					
211100 Short-term loans	6(18)	\$ 275,000	-	\$ 590,000	1
211200 Commercial papers payable	6(19)	5,827,431	8	8,648,558	9
212000 Financial liabilities at fair value through profit or loss - current	6(20)	9,156,084	12	8,171,735	9
214010 Bonds sold under repurchase agreements	6(21)	6,965,424	10	9,643,040	10
214040 Deposits on short sales		1,809,356	3	1,202,587	1
214050 Short sale proceeds payable		1,809,962	3	1,559,162	2
214070 Guarantee deposit received on borrowed securities		1,806,591	2	1,969,207	2
214090 Equity for each customer in the account		269,029	-	97,996	-
214130 Accounts payable	6(22)	10,730,645	15	17,421,499	18
214150 Advance receipts		29	-	481	-
214160 Collections on behalf of third parties		743,518	1	5,739,850	6
214170 Other payables	6(23)	1,443,038	2	2,499,848	3
214200 Other financial liabilities - current	6(24)	2,784,086	4	4,983,139	5
214600 Current tax liability	6(46)	128,431	-	628,676	1
216000 Current lease liabilities		65,653	-	62,878	-
219000 Other current liabilities		72,006	-	73,094	-
210000 Total current liabilities		43,886,283	60	63,291,750	67
220000 Non-current liabilities					
225100 Non-current provisions		15,418	-	14,079	-
226000 Non-current lease liabilities		82,231	-	120,489	-
228000 Deferred tax liability	6(46)	11,317	-	-	-
229000 Other liabilities - non-current	6(25)	23,315	-	81,750	-
220000 Total non-current liabilities		132,281	-	216,318	-
906003 Total Liabilities		44,018,564	60	63,508,068	67
301000 Capital					
301010 Common stock	6(27)	14,558,313	20	14,558,313	15
302000 Capital reserve	6(27)	91,261	-	91,261	-
304000 Retained earnings	6(27)(28)				
304010 Legal reserve		3,877,849	5	3,487,748	4
304020 Special reserve		9,090,989	12	8,314,199	9
304040 Unappropriated earnings		816,933	1	3,922,562	4
305000 Other equity interest		1,283,747	2	1,309,501	1
906004 Total equity		29,719,092	40	31,683,584	33
906002 Total liabilities and equity		\$ 73,737,656	100	\$ 95,191,652	100

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

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
400000	Revenues					
401000	Brokerage handling fee revenue	6(29)	\$ 2,382,066	45	\$ 4,153,616	39
404000	Revenues from underwriting business	6(30)	86,465	2	104,035	1
406000	Net gain (loss) on wealth management		38,150	1	32,127	-
410000	Net gain (loss) on sale of trading securities	6(31)	(3,250,617)	(62)	8,738,972	83
421100	Revenue from providing agency service for stock affairs		88,788	2	85,817	1
421200	Interest revenue	6(32)	940,469	18	1,159,210	11
421300	Dividend revenue		1,274,795	24	451,249	4
421500	Net valuation gain (loss) on operating securities at fair value through profit or loss	6(33)	(916,440)	(17)	(862,680)	(8)
421600	Net gain (loss) on covering of borrowed securities and bonds with resale agreements-short sales	6(34)	482,271	9	(181,893)	(2)
421610	Net valuation gain (loss) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(35)	1,381,017	26	(313,159)	(3)
422000	Net gain (loss) on issuance of ETNs		546,571	10	76,579	1
422100	Administrative and handling fee revenues from issuance of ETNs		11,799	-	17,312	-
422200	Net gain (loss) from issuance of call (put) warrants	6(36)	1,473,984	28	(2,896,956)	(27)
424100	Future commission revenue		43,532	1	42,884	-
424400	Net gain (loss) from derivatives	6(37)	123,408	2	(655,306)	(6)
425300	Expected credit impairment loss and reversal of impairment gain	6(38)	21,973	1	11,158	-
428000	Other operating income	6(39)	545,860	10	615,039	6
	Total revenue		<u>5,274,091</u>	<u>100</u>	<u>10,578,004</u>	<u>100</u>
500000	Expenditures and expenses					
501000/						
502000/						
503000	Handling charges	6(40)	(364,342)	(7)	(560,293)	(5)
507000	ETNs administrative expenses		(9,634)	-	(6,863)	-
521200	Finance costs	6(41)	(163,518)	(3)	(88,091)	(1)
524200	Securities commission expense		(84)	-	(302)	-
524300	Expense of clearing and settlement		(21,420)	(1)	(14,089)	-
528000	Other operating expenditure		(2)	-	(3,049)	-
531000	Employee benefits expense	6(42)	(2,141,940)	(41)	(3,615,086)	(34)
532000	Depreciation and amortization	6(43)	(224,108)	(4)	(175,565)	(2)
533000	Other operating expense	6(44)	(1,636,888)	(31)	(1,851,991)	(18)
	Total expenditure and expense		<u>(4,561,936)</u>	<u>(87)</u>	<u>(6,315,329)</u>	<u>(60)</u>
	Operating profit		712,155	13	4,262,675	40
601100	Share of the profit or loss of associates and joint ventures accounted for under the equity method	6(11)	32,394	1	213,779	2
602000	Other gains and losses	6(45)	168,133	3	156,325	2
902001	Profit before tax		912,682	17	4,632,779	44
701000	Income tax (expense) benefit	6(46)	(183,314)	(3)	(625,344)	(6)
902005	Net income		<u>\$ 729,368</u>	<u>14</u>	<u>\$ 4,007,435</u>	<u>38</u>

(Continued)

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
805510		\$ 99,796	2	(\$ 127,326)	(1)
805540	6(3)	(74,826)	(2)	128,987	1
805560		9,882	-	376,356	3
805599	6(46)	(19,959)	-	25,465	-
Items may be reclassified to profit of loss subsequently					
805610		168,819	3	(34,891)	-
805615		(126,051)	(2)	-	-
805000		\$ 57,661	1	\$ 368,591	3
902006		\$ 787,029	15	\$ 4,376,026	41
Earnings per share 6(47)					
975000		\$ 0.50		\$ 2.75	
985000		\$ 0.50		\$ 2.75	

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

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other equity interest		Total equity	
		Common stock	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements		Unrealised gain or loss on financial assets measured at fair value through other comprehensive income
<u>For the year ended December 31, 2021</u>									
Balance at January 1, 2021		\$ 13,998,378	\$ 91,261	\$ 3,111,013	\$ 7,600,316	\$ 3,771,859	(\$ 30,918)	\$ 865,406	\$ 29,407,315
Net income for the year ended December 31, 2021		-	-	-	-	4,007,435	-	-	4,007,435
Other comprehensive income (loss) for the year ended December 31, 2021		-	-	-	-	(106,422)	(34,891)	509,904	368,591
Total comprehensive income (loss)		-	-	-	-	3,901,013	(34,891)	509,904	4,376,026
Appropriations of 2020 earnings	6(28)								
Legal reserve		-	-	376,735	-	(376,735)	-	-	-
Special reserve		-	-	-	713,883	(713,883)	-	-	-
Cash dividends		-	-	-	-	(2,099,757)	-	-	(2,099,757)
Stock dividends		559,935	-	-	-	(559,935)	-	-	-
Balance at December 31, 2021		\$ 14,558,313	\$ 91,261	\$ 3,487,748	\$ 8,314,199	\$ 3,922,562	(\$ 65,809)	\$ 1,375,310	\$ 31,683,584
<u>For the year ended December 31, 2022</u>									
Balance at January 1, 2022		\$ 14,558,313	\$ 91,261	\$ 3,487,748	\$ 8,314,199	\$ 3,922,562	(\$ 65,809)	\$ 1,375,310	\$ 31,683,584
Net income for the year ended December 31, 2022		-	-	-	-	729,368	-	-	729,368
Other comprehensive income (loss) for the year ended December 31, 2022		-	-	-	-	83,415	168,819	(194,573)	57,661
Total comprehensive income (loss)		-	-	-	-	812,783	168,819	(194,573)	787,029
Appropriations of 2021 earnings:	6(28)								
Legal reserve		-	-	390,101	-	(390,101)	-	-	-
Special reserve		-	-	-	776,790	(776,790)	-	-	-
Cash dividends		-	-	-	-	(2,751,521)	-	-	(2,751,521)
Balance at December 31, 2022		\$ 14,558,313	\$ 91,261	\$ 3,877,849	\$ 9,090,989	\$ 816,933	\$ 103,010	\$ 1,180,737	\$ 29,719,092

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

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 912,682	\$ 4,632,779
Adjustments			
Income and expenses having no effect on cash flows			
Net valuation (gain) loss on operating securities at fair value through profit or loss	6(2)(33)	916,440	862,680
Net valuation (gain) loss on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	6(35)	(1,381,017)	313,159
Expected credit impairment loss and reversal of impairment gain	6(38)	(20,627)	(7,846)
Depreciation	6(43)	179,026	150,889
Amortization	6(43)	45,082	24,676
Financial expense	6(41)	163,518	88,091
Interest income (include financial income)	6(32)(45)	(976,711)	(1,169,070)
Dividend income		(1,283,723)	(462,602)
Share of profit of subsidiaries, associates and joint ventures accounted for under the equity method	6(11)	(32,394)	(213,779)
(Gain) loss from lease modification		(98)	(7)
(Gain) loss on valuation of non-operating financial instrument	6(45)	(1,575)	4,901
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		8,353,180	6,679,835
Financial assets at fair value through other comprehensive income		(2,259,620)	-
Bonds purchased under resale agreements		27,401	(27,401)
Margin loans receivable		7,830,648	(6,085,072)
Refinancing security deposits		(64,206)	21,602
Receivables from refinance guaranty		(47,466)	17,956
Receivable of securities business money lending		(2,512,915)	(293,866)
Receivables from security lending		(758,558)	(160,223)
Security lending deposits		(1,940,335)	(430,205)
Notes receivable		(293)	267
Accounts receivable		6,452,778	1,120,283
Accounts receivable - related parties		75	(379)
Prepayments		(12,595)	(596)
Other receivables		(2,352)	3,739
Other current assets		6,121,892	(5,835,733)
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss		2,365,366	5,236,435
Bonds sold under repurchase agreements		(2,677,616)	(9,453,125)
Deposits on short sales		606,769	(178,883)
Short sale proceeds payable		250,800	(250,793)
Guarantee deposit received on borrowed securities		(162,616)	1,065,355
Equity for each customer in the account		171,033	69,891
Accounts payable		(6,753,787)	(555,071)
Advance receipts		(452)	149
Collections on behalf of third parties		(4,996,332)	4,641,176
Other payable		(1,058,011)	524,317
Other financial liabilities - current		(2,199,053)	(1,025,171)
Other current liabilities		(1,088)	(3,380)

(Continued)

PRESIDENT SECURITIES CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
Cash inflow (outflow) generated from operations		\$ 5,253,250	(\$ 695,022)
Interest received		986,104	1,079,490
Dividends received		1,581,926	713,513
Income tax paid		(640,299)	(354,754)
Net cash flows from operating activities		<u>7,180,981</u>	<u>743,227</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Investments accounted for under the equity method		(656,781)	-
Acquisition of property and equipment	6(12)	(92,318)	(46,729)
Acquisition of intangible assets	6(16)	(41,626)	(41,381)
(Increase) decrease in other non-current assets		65,734	(84,734)
(Increase) decrease in prepayment for equipment		(179,610)	(123,975)
Net cash flows used in investing activities		<u>(904,601)</u>	<u>(296,819)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term loans		(315,000)	11,024
Increase (decrease) in commercial papers payable		(2,820,000)	1,350,000
Increase (decrease) in other non-current liabilities		(104)	(969)
Payments of lease liabilities		(67,984)	(67,865)
Interest paid		(147,935)	(94,833)
Distribution of cash dividends	6(28)	(2,751,521)	(2,099,757)
Net cash flows used in financing activities		<u>(6,102,544)</u>	<u>(902,400)</u>
Effect of exchange rate changes on cash and cash equivalents		(64,000)	31,834
Net increase (decrease) in cash and cash equivalents		109,836	(424,158)
Cash and cash equivalents at beginning of year		<u>3,082,958</u>	<u>3,507,116</u>
Cash and cash equivalents at end of year		<u>\$ 3,192,794</u>	<u>\$ 3,082,958</u>

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

President Securities Corporation
2022 Earnings Distribution Proposal

Unit: : NT\$

Unappropriated earnings as of January 1, 2022 (Note 1)	\$4,149,902
Add(Less) : Due to remeasurement of defined benefits plan (Note 2)	83,414,928
Add : Net profit after tax of 2022	729,368,350
Subtotal	816,933,180
Less : Legal Reserve (Note 3)	(81,278,328)
Special Reserve (Note 4)	(162,556,656)
Unappropriated earnings Available for Distribution	573,098,196
Distribution items	
– Cash dividend (NT\$ 0.39 / per share)	567,774,224
Unappropriated earnings as of December 31, 2022	\$5,323,972

Note 1 : The amount of unappropriated earnings in the earning distributions resolved by the shareholders' meeting of 2022

Note 2 : The Company has adopted T-IFRSs and unappropriated earnings was increased by \$83,414,928 due to remeasurement of defined benefits plan (included in other comprehensive income).

Note 3 : According to Article 237 of the Company Act, Jingshan Letter No.10802432410 and Article 23-1 of the Company's Article of Incorporation, 10% were set aside as legal reserve.

Note 4 : According to Article 14 of Regulations Governing Securities Firms, and Article 23-1 of the Company's Article of Incorporation, 20% were set aside as special reserve.

Note 5 : Prior years' unappropriated earnings shall not be appropriated unless the current year's unappropriated earnings is insufficient for distribution.

Note 6 : Total common shares outstanding as of December 31, 2022 was 1,455,831,343 shares.

Comparison table of Amendments to “Articles of Incorporation”

Article	Amendment	Original Articles	Amendment instructions
Article 13	The Company has <u>twelve</u> directors (four independent and <u>eight</u> non-independent directors), to be elected by shareholders’ meeting from among the persons with disposing capacity, both having three-year tenure of office and eligible for reelection. The candidates’ qualifications shall live up to requirements of Company Law, Securities and Exchange Law and related regulations. (Omitted below)	The Company has nineteen directors (four independent and fifteen non-independent directors), to be elected by shareholders’ meeting from among the persons with disposing capacity, both having three-year tenure of office and eligible for reelection. The candidates’ qualifications shall live up to requirements of Company Law, Securities and Exchange Law and related regulations. (Omitted below)	According to the first point of Corporate Governance 3.0 -Sustainable Development Roadmap issued by the FSC. Strengthening duties and functions of boards: TWSE/TPEX-listed financial institutions and insurance companies will, starting in 2024, be required to have independent directors make up no less than one third of the directors (applicable at the end of term for existing directors), and have 50% or more of the independent directors serve no more than three consecutive terms (applicable at the end of term for existing directors).
Article 26	These Articles were duly established on November 26, 1988 and the first amendment was approved on December 28, 1988; -----; <u>the thirty-first amendment on May 31, 2023. The effective date of Article 13, which were revised on May 31, 2023, is January 1, 2024.</u>	These Articles were duly established on November 26, 1988 and the first amendment was approved on December 28, 1988; -----; the thirtieth amendment on June 23, 2022	Amendment date.

ARTICLES OF INCORPORATION OF PRESIDENT SECURITIES CORP.

2022.6.23

Chapter I General Provisions

Article 1:

This Company is duly incorporated under the provisions set forth Company Law regarding companies limited by shares in the full name of PRESIDENT SECURITIES CORPORATION (Hereinafter referred to as the Company).

Article 2:

The Company shall engage in the following business:

1. H301011, a securities dealer.
2. H408011, an aid on futures transaction
3. H401011, a futures dealer
4. H105011, a trustee
5. H304011, a securities investment consulting enterprise

Article 2-1:

The scope of business of the Corporation shall be as follows:

1. To underwriter valuable securities
2. To buy and sell valuable securities in centralized trading markets as a principal;
3. To be consigned to buy and sell valuable securities in centralized trading markets;
4. To buy and sell valuable securities in its own business location;
5. To be consigned to buy and sell valuable securities in its own business location;
6. To act as an agent for stock affairs in valuable securities;
7. To engage in short-buy and margin sales for trading in valuable securities;
8. To render aid in futures trading;
9. To be consigned to buy and sell foreign valuable securities;
10. To engage concurrently in proprietary futures trading.
11. To engage concurrently in trustee
12. To be consigned to buy and sell foreign valuable securities;
13. To operate securities-related business of foreign exchange and permit by the Central Bank of Republic of China. (Taiwan)
14. To engage in other securities related businesses as approved by the competent authorities.

Article 2-2:

The Company may, within the scope as permitted by law, render guarantee services to subsidiaries.

Article 3:

The Company is headquartered in Taipei and may have branches duly set in appropriate locations elsewhere as approved by the government.

Article 4:

This article was deleted.

Chapter II Shares

Article 5:

The Company has New Taiwan Dollars Fifteen Billion Only, divided into 1.5 billion shares at Ten New Taiwan Dollars par value for which the board of directors is authorized with full powers to issue in installments.

Article 5-1:

When the Company acts as a shareholder of limited liabilities, the total amount of external investment by the Company is free of the maximum limitation at 40% of the paid-in capital as set forth in Article 13 of the Company Law.

Article 6:

The company issuing and printing shares shall assign its share certificates with serial numbers, and the share certificates shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof.

The company may be exempted from printing any share certificate or it may either print a single share certificate or a consolidated share certificate for the shares issued. The Company shall appoint a centralized securities custody institution to make recordation of the issue of such shares.

Article 7:

For transfer of the Company's shares, both the shareholder and the transferee shall jointly apply hereto for transfer procedures and entry into roster of shareholders, provided, that no transfer of shares shall be made within one month prior to a shareholders' regular meeting or fifteen days prior to an extraordinary meeting or within five days prior to allocation of dividend, bonus or other interests.

Article 8:

The share certificates hereof are the registered ones. The shareholders hereof shall have their names and addresses duly registered into roster of shareholders and have their impression cards of registered seals filed herein. The same is required in case of a change. The stock affairs of the Company shall be duly handled according to "Regulations Governing Stock Affairs of Public Offering Companies" promulgated by the competent authorities of the government except as otherwise provided by the laws and securities regulations.

Chapter III Shareholders' meeting

Article 9:

The shareholders' meeting hereof is in regular and extraordinary ones.

The former is called once per annum within six months from closing of each fiscal year.

The latter may be duly called when considering it is necessary.

Article 9-1:

The shareholders' meeting can be held by means of visual communication network, partly visual communication network or other methods promulgated by the central competent authority. Under the circumstances of calamities, incidents, or force majeure, the central competent authority may promulgate a ruling that authorizes a company, within a certain period of time can hold its shareholders' meeting by means of visual communication network or other promulgated methods.

In case a shareholders' meeting is proceeded via visual communication network or partly visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

For the preceding two paragraphs, the Company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

Article 10:

The notices to a shareholders' meeting shall be duly served to shareholders in accordance with Company Law or other laws concerned.

Article 11:

Each share hereof is entitled to one voting power. A shareholder who is unavailable to attend a shareholders' meeting may duly issue a power of attorney with the Company provided form with scope of authorized power to appoint a proxy for the meeting. In the event a proxy is authorized by two or more shareholders, the voting power exceeding 3% of the total issued shares shall be discarded.

The aforementioned power of attorney shall be served to the Company five days in advance of the Company. In case of multiple authorization, it shall be taken on the first come first served basis unless the preceding authorization is declared withdrawn.

Article 12:

The following issues are subject to resolutions to be adopted in the shareholders' meeting:

1. Establishment and amendment of the Articles of Incorporation.
2. Election of directors.
3. Approval of reports worked out by the board of directors and profit allocation of profit and coverage of loss.
4. Increase, decrease of capital.
5. Major affairs otherwise and issues as required by the Company.

Unless otherwise provided for in the Company Law, resolutions in the shareholders' meeting shall be adopted by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares.

Chapter IV Directors

Article 13:

The Company has nineteen directors (four independent and fifteen non-independent directors), to be elected by shareholders' meeting from among the persons with disposing capacity, both having three-year tenure of office and eligible for reelection.

The candidates' qualifications shall live up to requirements of Company Law, Securities and Exchange Law and related regulations.

Directors shall be elected from among the nominees listed in the roster of candidates by adopting candidate nomination system.

The election of independent and non-independent shall be held together but the votes shall be calculated separately.

Article 13-1:

The Company according to Article 14-4, Securities and Exchange Law, establish the Audit Committee, composed of the entire number of independent directors.

Audit Committee and among independent directors shall compliance and follow by internal rules in this company and the Government related regulations.

Article 14:

The total registered shares held by all directors shall not be less than specified percentage and the shareholding and auditing shall be subject to requirements promulgated by the competent authorities of the government.

Article 15:

By attendance of two-thirds majority of directors and a majority vote of the attending directors, three~five managing directors shall be elected and, in the same manner, one chairman shall be duly elected. In case of no managing directors, one chairman and one vice chairman shall be elected from among directors in the same manner.

The chairman shall chair the shareholders' meeting, board of directors meeting and board of managing directors meeting internally, and represent the Company externally.

Article 16:

Meetings of the board of directors shall be convened by the chairman of the board of directors. Unless otherwise provided for in the Company Law, the resolutions in the board of directors meeting shall be adopted by a majority vote in the meeting attended by a majority of directors.

The Convene Notice of the meeting of board may serve to the directors by writing, E-mail or facsimile.

In the chairman's absence, the vice chairman shall act in the place. In absence of both, the chairman shall appoint a managing director to act in place otherwise one managing director shall be elected from among themselves to act in the place. A director unavailable to the meeting may duly authorize another director to attend a board meeting on his behalf.

Article 17:

The board of directors shall have the following functions:

1. To work out the Company's business plans;
2. To work out organizational regulations, major articles and contracts;
3. To work out budgeting and account closing;
4. To propose for capital increase, decrease;
5. To propose profit allocation or loss coverage;
6. To appoint, discharge managerial officers and key staff;
7. To resolve establishment and dissolution of a branch;
8. To resolve major business affairs otherwise;
9. To exercise other functions endowed by laws and shareholders' meeting.

Article 17-1:

The Board of Directors may, complying with the law or taking into account the necessity, set up any functional committees whose functions, responsibilities, qualifications of committee members, process of exercising the power and so forth to be formulated by the board of directors.

Article 18:

This article was deleted.

Article 19:

The board of directors is authorized to determine the remuneration for directors taking into account the extent and value of the participation for the management of the Corporation and the standards of the

industry. Independent directors receive fixed monthly compensation and shall not participate in the allocation of remuneration to directors and supervisors set forth in Article 23.

Article 19-1

The Company may act as a policyholder of liability insurance for the benefit of directors, supervisors, and managers. The board of directors is authorized to determine the limit of liability and the related matters.

Chapter V Managerial officers

Article 20:

The Company has one president to enforce issues as resolved in the board of directors and take charge of overall business operation of the Company, to be nominated by the chairman and duly appointed and discharged in the board of directors. The Company has a certain number of vice president, be nominated by the president and duly appointed and discharged in the board of directors.

Chapter VI Accounting

Article 21:

The fiscal year hereof is beginning January 1 until December 31 each calendar year.

Article 22:

Upon closing of each fiscal year, the board of directors shall work out the following documents according to Article 228 of the Company Law to be audited by Audit Committee thirty days in advance of shareholders' regular meeting and the Audit Committee shall issue a report accordingly to be approved by the shareholders' meeting:

1. Business report
2. Financial statements
3. Proposals of profit allocation or loss coverage

Article 23:

In an effort to encourage employees and management, the Company will distribute compensation to employees and the Directors from pre-tax profits. Where the company has pre-tax profits, the total value of funds to be distributed among employees shall not be less than 1.6% of pre-tax profits; while the total value of funds to be distributed among the Directors shall not be more than 2% of pre-tax profits. If the company has losses carried forward, compensation should only be paid to employees and Directors after funds have been set aside as reserve for such losses.

Employees' compensation should be paid in the form of cash or company shares. A resolution regarding compensation to be distributed should be passed at a Board of Director's meeting by a majority vote at a meeting attending by two-thirds or more of the Directors, after which the results should be reported to the shareholders.

Only those individuals meeting the specific criteria of employees shall be considered employees for the purposes of the employees' compensation distributions.

Article 23-1:

If there are surplus profits after the closing of the books in a given fiscal year, then, after paying applicable taxes and making up losses from previous years, the company should set aside 10% of remaining profits as legal reserve, 20% as special reserve, and any other reserves as required by applicable laws or regulations, and, if any profits still remain, the board of directors shall put forth a motion to the shareholders for distribution of the remaining profits to shareholders.

In the event that the remaining profits represent less than 5% of the value of the company's paid-in capital, then no such distribution is necessary.

The Company's dividend policy should be based on the long-term financial structure and stability of the Company so as to allow for continued growth, which creates the best value for shareholders. The dividend distribution in a given year shall not be less than 70% of the surplus profits available for distribution. Stock dividends should not account for less than 50% of the total dividend distributed, and cash shall not account for more than 50% of the total dividend distributed. However, the Company may take into consideration the actual status of the Company's operations and future capital needs when determining an appropriate ratio of cash and shares for the dividend distribution.

Chapter VII Bylaws

Article 24:

The organizational rules and operational rules shall be separately worked out by the board of directors.

Article 25:

Any matters inadequately provided for herein shall be subject to Company Law and managerial regulations concerned.

Article 26:

These Articles were duly established on November 26, 1988 and the first amendment was approved on December 28, 1988; -----; the thirtieth amendment on June 23, 2022

President Securities Corporation Rules and Procedures of Shareholders' Meeting

Article01.

These Rules are prescribed in accordance with Article 5 of the Corporate Governance Best-Practice Principles for TSE/GTSM Listed Companies for the purpose of establishing good governance, strengthening the supervisory functions and administration by the shareholders' meeting.

Article02.

Except as otherwise provided by the laws and regulations or the Articles of Incorporation of the Company, the shareholders' meetings of the Company shall be in accordance with these Rules.

Article03.

Except as otherwise provided by the laws and regulations, the shareholders' meeting of the Company shall be convened by the Board of Directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The meeting notice and the public announcement of the shareholders meeting shall expressly indicate the reasons for convening the meeting. The meeting notice can be served by means of electricity facilities if agreed by the noticed party.

Election or dismissal of directors, supervisors, proposed amendment to the Articles of Incorporation, proposed dissolution, merger, or split of the Company, event(s) of the conditions provided in the first paragraph of Article 185 of the Company Act, or Article 26-1, or Article 43-6 of the Securities And Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers must be indicated item by item in the reasons for convening the meeting in the meeting notice and none of them can be proposed by way of extempore motion.

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

A shareholder who holds 1% or more of the total issued shares of the Company may propose in writing one and only one proposal in advance to be included in the agenda for discussion and resolution at the shareholders meeting. All additional proposals, if any, proposed by the shareholder shall be excluded from the agenda.

A shareholder proposal is provided for urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors. The Board of Directors may decide to exclude from the agenda any proposal proposed by the shareholder which runs into any of the conditions provided in the fourth paragraph of Article 172 -1 of the Company Act.

The Company shall make public announcement about when and where to submit proposal prior to the commencement date of the suspension of transfer of shares in the Company and the opening period for proposal acceptance shall not less than 10 days.

The proposal proposed by the shareholder shall be written in not more than 300 Chinese characters or shall otherwise be excluded from the agenda. The shareholder who has proposed a proposal shall personally attend the general shareholders meeting and participate in the discussion of his/her proposal or he/she may duly designate a proxy to act on his/her behalf at the meeting.

The Company shall give a notice to the shareholder prior to the meeting date regarding the Company's handling of the proposal he/she has proposed. The Company shall, item by item, indicate in the meeting notice all of the proposals submitted in conformity to this Article and the reasons why the other proposals are excluded from the agenda.

Article04.

The shareholder may designate a proxy to attend the shareholders meeting on his/her behalf by signing and indicating the scope of authority in the proxy form prepared by the Company.

Each shareholder may sign one and only one proxy form to designate one and only one proxy. The signed proxy form must be served to the Company five days prior to the meeting day. In case of multiple signed proxies from the same shareholder, the first one served to the Company shall prevail except when the shareholder has expressed to cancel the proxy.

The shareholder who, after his/her signed proxy has been served to the Company, is to attend the meeting in person or to exercise his/her voting power by way of electronic transmission shall notify the Company in writing no later than two days prior to the meeting day of his/her intention to cancel his/her signed proxy or the ballots cast by his/her designated proxy present at the meeting shall govern for the purpose of vote counting.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article05.

The shareholders meeting shall be convened at the place where the Company is located or any other appropriate place convenient for shareholders to attend and shall commence no earlier than 9:00AM and no later than 3:00PM on the meeting date. The venue, date and hour of the meeting shall be determined in consideration of the opinion of the independent director.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article06.

The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The shareholder or his/her proxy who attends the meeting may turn in his/her signed attendance card instead of signing in the attendance book.

The Company shall deliver to each shareholder the agenda, annual report, attendance ID, speaking request form, ballots, other meeting materials and, where applicable, the ballots for election of directors and/or Independent Directors.

A government agency shareholder or an institutional shareholder may be represented at the shareholders' meeting by one or more proxies.

An institution acting as the proxy for a shareholder may appoint one and only one representative to act on behalf of the principal of the proxy at the meeting.

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

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

Article6-1.

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

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

3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article07.

Where the shareholders meeting is convened by the Board of Directors, the meeting shall be presided by the chairman of the Board of Directors. If the chairman is for whatever reason unable to carry out his/her functions at the meeting, the vice chairman shall act in his/her stand. If the Company has no vice chairman or the vice chairman is for whatever reason unable to carry out the function at the meeting either, the chairman shall appoint a standing director to act in his/her stand at the meeting. If the Company has no standing director, the chairman shall appoint a director to act in his/her stand. If above are not applicable, the directors or standing directors (if any) shall elect one from among themselves to preside the meeting.

If the abovementioned position of chairman be filled by a managing director or director, said managing director or director shall be one who has held office for more than six months and understands the company's financial and business conditions. The same applies if the position of chairman is held by a corporate director's representative.

Where the shareholders meeting is convened by any person legally authorized to do so other than the Board of Directors, the meeting shall be presided by the convener.

Where there are two or more conveners, they shall elect one from among themselves to preside the meeting.

The Company may appoint legal counsel(s), certified public accountant(s) and/or the relevant personnel to attend the shareholders' meeting without the right to vote.

Article08.

The company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The abovementioned video and audio materials shall be kept for at least one year. However, in the event that a lawsuit has been filed by shareholder(s) in accordance with Article 189 of the Company Act, said video and audio recordings shall be kept until the end of said lawsuit.

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

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

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

Article09.

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

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

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 virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

If, before the meeting ends, the total shares represented at the meeting account for half or more of the total issued shares of the Company, the chairperson may submit the temporary resolution adopted to the meeting for voting pursuant to Article 174 of the Company Act.

Article 10.

Where the shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors and the meeting shall proceed according to the agenda except otherwise changed by the resolution adopted by the shareholders' meeting.

Where the shareholders' meeting is convened by any person legally authorized to do so other than the Board of Directors, the preceding paragraph shall apply.

The chairperson shall not forthwith announce to adjourn the meeting before the agenda provided in the two preceding paragraphs (including extempore motions) is duly completed except on the resolution adopted by the shareholders' meeting for him/her to do so. In the event the chairperson announces to adjourn the meeting in contravention to these Rules, the other members of the Board of Directors present shall promptly assist the shareholders present at the meeting to duly elect, by a majority vote, one from among the directors present to preside to continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11.

The shareholder shall fill out the speaking request form floor before making statement at the meeting and he/she will indicate the gist of his/her statement to make, shareholder account number (or attendance card number) and shareholder name. The chairperson will decide the order for the shareholders to make their statement.

The shareholder who has only filled out the speaking request form floor without actually doing so shall be deemed not having made any statement. In case of any discrepancy between the gist of statement indicated in the shareholder's speaking request and the actual statement made, the actual statement made shall govern.

The shareholder may speak on each proposal twice and only twice for not more than five minutes each except otherwise approved by the chairperson, provided that the chairperson may stop at any time the shareholder from taking the floor if such shareholder has acted in contravention of these Rules or is making statement out of the scope of the proposal being discussed.

No shareholder may interrupt the shareholder taking the floor without the consent of both of the chairperson and the shareholder taking the floor. The chairperson shall restrain any shareholder from acting in breach of the above.

An institutional shareholder who is represented by two or more appointed representatives at the meeting will have its statement on the same proposal made (if any) by one and only one of its appointed representatives.

The chairperson may personally respond to the statement made by the shareholder or appoint the relevant personnel to do so.

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

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

Article 12.

The votes at the shareholders' meeting will be counted based on the number of shares.

The non-voting shares represented at the meeting shall be disregarded for the purpose of counting votes for adopting the resolution.

Shareholders who have personal conflict of interests against the Company on certain proposal shall not vote on that proposal, either for himself/herself or for another shareholder by proxy.

The non-voting shares provided in the preceding paragraph shall be excluded from the calculation of voting shares represented at the meeting.

Except trust businesses or stock affair agency approved by the competent securities authority, a proxy acting on behalf of two or more shareholders at the meeting will have the voting right by proxy representing not exceeding 3% of the total issued shares of the Company. Any vote cast by the proxy in excess of the said representation limit will be ignored.

Article 13.

The shareholder will have one vote for each share held except where there is limitation on the voting right or the voting right is denied by operation of the second paragraph of Article 179 of the Company Act.

The voting power at a shareholders' meeting may be exercised by way of electronic transmission described in the shareholders' meeting notice.

A shareholder who exercises his/her voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived his/her voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.

In case a shareholder elects to exercise his/her/its voting power by way of electronic transmission, his/her declaration of intention shall be served to the company two days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received shall prevail; unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days

before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

In case a shareholder has exercised his/her voting power by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his/her behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.

Except as otherwise provided by the Company Act or the Articles of Incorporation of the Company, the resolution of a shareholders meeting shall be adopted by the majority vote represented at the meeting. For the purpose of voting, the chairperson shall announce the total number of votes represented and currently present at the meeting or appoint a personnel to do so each time before calling for voting on each proposal.

The resolutions, whether agreement/disagreement/waiver, shall be uploaded to the MOPS website on the day which shareholder' meeting was held.

Upon voting for resolution on a proposal, if no opposition is expressed by shareholders present at the meeting, and shareholders either through electronic or written form, in response to the chairperson's invitation for opinion on that proposal, the resolution shall be deemed adopted unanimously and operate as one adopted by voting. In case an opposition is expressed, the proposal shall be voted in accordance with the preceding paragraph.

Where there is revision or substitute proposal on the same proposal, the chairperson shall combine them with that proposal for the purpose of determining their order of voting. If one of the proposals is adopted, the other proposals shall be deemed vetoed and no voting on them will be necessary.

The chairperson shall appoint vote supervisor and vote counter during the voting and the vote supervisor shall also be a shareholder. The vote counting for voting or election motions at the shareholders' meeting shall be conducted publicly at the meeting venue, after vote counting has been completed, the voting results shall be announced on the spot (including the tallied number of votes) and recorded accordingly.

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

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

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

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

Article 14.

The election of a director and or supervisor shall be in accordance with the relevant bylaw of the Company and the result of the election, including list of elected directors and Independent Directors and the number of votes they received, shall be announced on site.

The ballots of the election provided in the preceding paragraph shall be sealed and signed by the personnel supervising the voting and properly kept for at least one year or up through the conclusion of

the shareholder action (if any) initiated under Article 189 of the Company Act.

Article 15.

Each resolution adopted by the shareholders' meeting must be taken down in the meeting minutes which must be signed or impressed with the seal of the chairperson with a copy thereof sent to the shareholders each within twenty (20) after the end of the meeting.

The Company may publish the meeting minutes provided in the preceding paragraph on the MOPS website.

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

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

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

Article 16.

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

For each resolution adopted the publication of which is required by law or which belongs to the TWSE-required material information, the Company shall, within the applicable time limit, transmit it to the MOPS.

Article 17.

The working staff of the meeting shall each wear an ID tag or badge.

The chairperson may direct the order-maintaining personnel or security guard to maintain the order of the meeting. The order-maintaining personnel or security guard shall each wear a badge or ID tag bearing their designation when performing their functions at the meeting.

The chairperson may stop the shareholder from making statements by using any equipment other than those readily facilitated by the meeting (if any).

If the shareholder ignores the chairperson's request for him/her to restrain himself/herself from acting in contravention of these Rules at the cost of the proceeding of the meeting, the chairperson may direct the order-maintaining personnel or security guard at the meeting to escort such shareholder out of the venue

of the meeting.

Article 18.

The chairperson may call the meeting to a break as he/she sees fit. In the event of force majeure, the chairperson may suspend the meeting and announce the appropriate date and hour to resume the meeting. In the event that the venue of the shareholders' meeting is kept from being available for use before the agenda (including extempore motions) is discussed in full, the shareholders' meeting may adopt the resolution for continuing the meeting elsewhere. The shareholders' meeting may adopt the resolution pursuant to Article 182 of the Company Act to re-schedule or resume the meeting within five days.

Article 19.

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

Article 20.

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

Article 21.

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

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

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

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

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

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

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares

represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

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

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

Article 22.

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

Article 23.

These Rules and all subsequent amendments shall come into force after being adopted by the shareholders' meeting.

These Rules were duly established on April 16th, 1998 and the first amendment was approved on June 25th, 2010. The second amendment was approved on June 24th, 2011. The third amendment was approved on June 22th, 2012. The fourth amendment was approved on June 19th, 2013.

The fifth amendment was approved on June 18th, 2014. The sixth amendment was approved on June 22th, 2017. The seventh amendment was approved on July 20th, 2021. The eighth amendment was approved on June 23th, 2022.

Shareholdings of Directors

1. In accordance with Article 26 of the Securities and Exchange Act:
The aggregate minimum shareholding for all directors is 34,939,952 shares.
2. As of the date of record for the General Shareholder Meeting, i.e., April 2, 2023, the total shareholdings of directors were as follows:

Title	Name	Shares Held	Shares Ratio%
Director	KAI NAN INVESTMENT CO.,LTD	42,253,212	2.902
Director	CANKING INVESTMENT CORP.,LTD	17,947,517	1.233
Director	HUI TUNG INVESTMENT CO.,LTD	10,819,675	0.743
Director	LEG HORN INVESTMENT CO.,LTD	13,162,425	0.904
Director	TA LE INVESTMENT HOLDING CO.,LTD	7,505,749	0.516
Director	CHINA F.R.P. CORPORATION.	10,400,000	0.714
Director	DUH, BOR-TSANG	4,444,693	0.305
Director	LI, ZONG-SYUN	870,387	0.060
Director	JUANG, JING-YAU	3,182	0
Independent Director	PAI , CHUN-NAN	0	0
Independent Director	SONG, YUNG-FONG	0	0
Independent Director	HORNG , YUAN-CHUAN	0	0
Independent Director	LIANG, YANN-PING	0	0
TOTAL		107,406,840	7.377