

Stock Code:3323



加百裕工業股份有限公司

CELXPert ENERGY CORPORATION

2024 Annual General Shareholders' Meeting Handbook

Notice to readers

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

June 13, 2024

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Procedure for the 2024 Annual Meeting of Shareholders

- 1) Call the Meeting to Order
- 2) Chairperson Remarks
- 3) Reporting Matters
- 4) Proposals Matters
- 5) Elections Matters
- 6) Other Matters
- 7) Questions and Motions
- 8) Adjournment

CELXPERT ENERGY CORPORATION

Year 2024

Agenda of Annual Meeting of Shareholders

Time: 9:00 a.m. on Thursday, June 13, 2024

Place : 3F staff canteen; No. 128, Gong 5th Rd., Longtan Dist., Taoyuan City Taiwan

Convening Method: Entity shareholders' meeting

- 1) Call the Meeting to Order
- 2) Chairperson Remarks
- 3) Reporting Matters
 1. 2023 Business Report
 2. Audit Committee Review Report on the 2023 Financial Statements
 3. Report on Earnings Distribution of 2023
 4. Report on raising the third unsecured convertible corporate bonds
 5. Report on Endorsements and Guarantees
 6. Report on amendment of provisions of the "Corporate Social Responsibility Best Practice Principles" and renaming to the "Sustainable Development Best Practice Principles."
 7. Report on "Corporate Governance Best Practices" establishments
 8. Report on "Business Ethics Revisions" amendments
- 4) Proposals Matters
 1. Adoption of the 2023 Business Report and Financial Statements
 2. Adoption of the 2023 Deficit Allocation
- 5) Elections Matters

Election of the 10th board of directors
- 6) Other Matters

Lifting of restrictions on non-competition for directors
- 7) Questions and Motions
- 8) Adjournment

I. Reporting Matters

Report No. 1 (Proposed by the Board of Directors)

2023 Business Report

Explanation:

A. Annual Business Result of 2023

1. Business plan implementation results

For 2023, our consolidated revenue was NT\$7.203 billion, compared to NT\$11.099 billion in 2022, reflecting a decline of 35.1%. It was a challenging year for us in 2023. The notebook industry saw the end of pandemic-related benefits, leading to customer inventory adjustments that continued to impact shipment momentum. Moreover, the ongoing Russia-Ukraine conflict and global economic challenges such as inflation and high interest rates have persistently subdued end-demand, affecting our overall revenue.

- (1) Notebook Battery Modules: Mainly affected by global economic weakness and a soft NB market, with slow customer inventory clearance and delayed production schedules for new models resulting in reduced revenue.
- (2) Network Communication Product Battery Modules: Due to inflation, interest rate hikes, quantitative tightening, and weak consumer markets, customers focused on inventory clearance in 2023, impacting the uptake of battery components.
- (3) Power Tools and Horticultural Product Battery Packs: With the ongoing Ukraine-Russia conflict and poor economic conditions in Europe and America, demand has decreased, and customer inventory levels remain high, with ongoing inventory consumption.
- (4) Electric-Assist Bicycles: Market demand has declined, and dealers and retailers continue to have high inventory levels, impacting revenue performance. Market recovery to pre-pandemic levels is anticipated in Q3 2024.
- (5) Energy Storage: Market demand has been less severely affected by macroeconomic factors. To meet market demand, we have been progressively fulfilling orders, resulting in gradual revenue growth.

2. Budget implementation

The Company has not announced the financial forecast for 2023.

3. Financial balance and profit analysis

- (1) The consolidated operating status of 2023 is as below:

Unit: NT\$1,000

Item	Year 2023	Year 2022
Net operating income	7,203,544	11,099,590
Operating cost	6,737,195	10,103,023
Operating profit	466,349	996,567
Operating expenses	664,549	809,437
Operating profit	-198,200	187,130
Total non-operating income and expenditure	-103,249	102,082
Net profit before tax	-304,449	289,212
Income tax expense	-31,637	68,667
net profit after tax	-269,812	220,545

Earnings per share (NT\$)	-3.27	2.75
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(2) Financial revenue and expenditure and profitability analysis

Item	Year 2023	Year 2022
Return on assets %	-3.61%	3.52%
Return on equity %	-10.64%	8.66%
Net operating profit as a percentage of paid-in capital %	-22.44%	23.30%
Net profit before tax as a percentage of paid-in capital %	-34.13%	36.01%
Profit rate %	-3.74%	1.98%

4. Research development status

Research and Development Expenditures and Achievements in the Last Three Years :

Year	Cost (Thousands of New Taiwan Dollars)	Successfully Developed Technology or Product
2021	239,052	1. Battery Cell Positive and Negative Terminal Automatic Optical Identification System 2. Spot Welding Servo Pressure Control System 3. Battery Pack BLE Bluetooth Communication Technology 4. K1 Lithium-Ion Battery SOC Algorithm for Normal and High Temperature Region 5. Lithium-Ion Battery Buck and Boost Charging Technology 6. Battery Pack Structural Shock and Vibration Simulation Technology
2022	232,941	1. BBU ORing Short Circuit Protection Technology 2. BBU ORV3 System Technology 3. MOLDEX Mold Flow Analysis Technology 4. E-Bike Dual Battery System Technology 5. K1 Lithium-Ion Battery SOC Algorithm for Low Temperature Region 6. Battery Pack Remote Firmware Update Technology 7. Lithium-ion Battery 2-Pulse SOH Algorithm
2023	205,235	1. Upgrade of Battery Pack Diagnostic Tools 2. Implementation of Time-Stamped Event Log Functionality 3. Development of EMS System for Energy Storage Containers 4. BV Safety Certification for Energy Storage Containers 5. RSOC Smooth Mechanism 6. ESS APP Monitor Software 7. ESS Web Based Monitor Software 8. BBU Battery with Charger and Discharger

B. Summary of 2024 business plan

Looking forward to year 2024, the team will continue to cooperate with the existing customer base to carry out various product applications. In addition to development, we are also actively expanding battery pack products in other fields such as electric tools, electric vehicles, and energy storage applications.

The summary of the 2022 business plan is as follows:

(1) Business and important production and marketing policies

1. In addition to strengthening existing customer service, strive for product diversification to increase non-3C product portfolio items and increase the proportion of niche products.
2. Continue to invest in the research and development of new technologies and new

products. Expand new customers.

3. Improve the intensity of the automated process and the efficiency of production capacity to reduce the impact of manpower demand and shortage.
4. Strengthen inventory and quality control, strengthen cooperation with development suppliers, and ensure cost-effective management.
5. The ongoing trade friction between China and the United States has caused geopolitics to heat up, we will continue to adjust production bases to meet customer needs.

(2) Expected sales volume and its basis

Looking back on 2023, due to the impact of the Russo-Ukrainian war, inflation has remained high, resulting in the overall economic weaken and end market demand was sluggish.

Looking forward to 2024, as the pandemic-related benefits wane, product demand is becoming more conservative due to ongoing customer inventory adjustments, impacting shipment momentum. Given the decline in NB-related product performance last year, the Company has revamped our NB business strategy. Besides aggressively pursuing major NB brand manufacturers, we have also ventured into the industrial notebook sector to broaden our NB customer base, expecting a gradual revenue rebound in NB-related products this year.

Despite operating at a trough in 2023, the Company has reaped significant rewards in non-NB products that have been strategically planned for years. In the networking business segment, our new security battery products have obtained certification from a prominent American security brand. Shipments of high-end security battery products commenced in the fourth quarter of 2023, with opportunities this year to penetrate lower-tier products of this brand. Additionally, we have secured orders for 5G base station battery packs from telecommunications companies in Taiwan and Vietnam. Regarding the server BBU, the Company is actively pursuing customer certifications. With contributions from new customers and products, we anticipate growth in revenue from networking-related battery products compared to last year. In the electric bicycle sector, market conditions were unfavorable last year, resulting in lower-than-expected overall shipments. After more than a year of market adjustments, we expect inventory levels to gradually normalize this year. Furthermore, we have secured an order from another leading American electric bicycle brand, and significant shipments of electric bicycle battery modules are expected to commence in the latter half of this year. In the energy storage sector, leveraging our core battery management system technology and extensive experience in lithium battery design and assembly, we have closely collaborated with system integrators to develop three categories of energy storage products: small-scale, residential, industrial, and grid-scale energy storage solutions (MWh~kWh). Large-scale energy storage equipment primarily targets the Taiwan market and has already secured orders from major manufacturing companies in Taiwan. We are also aggressively entering the residential energy storage market in Europe and America while expanding into the charging pile battery domain. Energy storage products are expected to be a significant driver of operational growth for the company this year.

C. Future company development strategy

1. Actively develop products and new customers in new application fields, expand business scale and profitability.
2. Implement exclusive customer services for existing customers and strengthen patent and

technical cooperation levels to obtain customer trust and then increase the proportion of orders placed with the Company.

3. Strengthen the design of automated production lines and fixtures to improve production efficiency and performance.
4. In line with the development trend of the green energy industry, develop energy storage and apply related products.
5. Strengthen the research and development of power batteries and energy storage application systems.

D. Impact of the external competitive environment, regulatory environment and overall business environment

1. The technical capability of China counterparts in 3C products has improved, and the pressure of competition is high.
2. Actively strengthen the supply chain of raw materials to solve the problem of shortage of spare parts in the future.
3. The cost of direct labor in China continues to rise rapidly due to the impact of the epidemic.
4. In the face of climate change and net-zero carbon emission regulations, strengthen the countermeasures.
5. The global tax reform and the new tax system will affect the competitiveness of enterprises.
6. The smart home and Internet of Things industries are expected to bring business opportunities for Netcom.
7. The awareness of environmental protection is rising, and the demand and sales volume of the energy storage industry are increasing.

Chairman: Shih-Ming Huang

General Manager: Shih-Ming Huang

Accounting Supervisor: Chien-Yu Lin

Report No. 2 (Proposed by the Board of Directors)

Audit Committee Review Report on the 2023 Financial Statements

Explanation:

Please refer to page.7 of the 2023 Annual Shareholders' Meeting Agenda Handbook

CELXPRT ENERGY CORPORATION

Audit Committee's Report

The Company's 2023 Financial Statements has been agreed by the Audit Committee and approved by the Board of Directors. The CPA firm of KPMG in Taiwan was retained to audit the Company's Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report and earning allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

CELXPRT ENERGY CORPORATION

2024 Annual Meeting

Chairman of the Audit Committee: Wei-Hung Lin

March 15, 2024

Report No. 3 (Proposed by the Board of Directors)

Report on Earnings Distribution of 2023

Explanation:

- 1) In accordance with Paragraph 5 of Article 240 of the Company Act and Article 28 of the Company's Articles of Association, the Company authorizes the Board of Directors to distribute dividends and bonuses in the form of cash distribution with more than two-thirds of the directors present and a resolution passed by more than half of the directors present.
- 2) Given the post-tax deficit experienced by the Company in 2023, it is planned not to distribute dividends for 2023.

Report No. 4 (Proposed by the Board of Directors)

Report on raising the third unsecured convertible corporate bonds

Explanation:

- 1) The Company intends to issue a total amount of NT\$400 million, with a denomination of NT\$100,000 for each bond. The total number of bonds issued is capped at 4,000 bonds, and the issuance period is three years. The coupon rate is 0%.
- 2) The funds raised from the issuance of the third domestic unsecured convertible corporate bonds will be used to repay bank loans to strengthen the financial structure and save interest expenses.
- 3) As of the end of April 2024, there have been no conversions of the convertible bonds executed.

Report No. 5 (Proposed by the Board of Directors)

Report on Endorsements and Guarantees

Explanation:

As of December 31, 2023, the Company provided a guarantee of US\$10 million for bank borrowings to our 2nd-tier subsidiary, Celxpert (Kunshan) Electronics Co., Ltd., and a customer order guarantee totaling NT\$180 million to our subsidiary, Keelgoal Energy Co., Ltd. All operations were carried out in accordance with the Company's "Endorsement Guarantee Operation Procedures" and relevant regulations, with the endorsed guarantee amounts not exceeding the prescribed limits.

Unit : US\$1,000/NT\$1,000

Endorsement guarantor company name	Guaranteed by the endorsement		Endorsement guarantee limit	The maximum endorsement guarantee balance in the current period	Balance of endorsement guarantee at the end of the period	Actual amount	Amount of endorsement guaranteed by property	The ratio of the accumulated endorsement guarantee amounts to the net value of the latest financial statement	Endorsement guarantees maximum limit
	Company Name	Relationship							
The Company	Celxpert (Kunshan)	second-tier subsidiary	Note	US\$10,000	US\$10,000	US\$10,000	-	12.36	Note
The Company	Celxpert (Nantong)	second-tier subsidiary	Note	CNY15,000	-	-	-	-	Note
The Company	Keelgoal Energy	subsidiary	Note	NT\$180,000	NT\$180,000	58,349	-	7.24	Note

Note: The total amount of external endorsement guarantees provided by the Company shall not exceed 40% of the current net worth, equivalent to approximately NT\$993,982,000 (approximately US\$32,372,000). The limit for endorsement guarantees to a single enterprise, excluding subsidiaries in which the Company directly or indirectly holds more than 90% of the ordinary shares (shall not exceed 40% of the current net worth), is also NT\$993,982,000 (approximately US\$32,372,000). For all other endorsements, the limit shall not exceed 10% of the current net worth, equivalent to approximately NT\$248,495,000 (approximately US\$8,093,000).

Report No. 6 (Proposed by the Board of Directors)

Report on the amendment of provisions of the "Corporate Social Responsibility Best Practice Principles" and renaming to the "Sustainable Development Best Practice Principles".

Explanation:

In cooperation with the competent authorities to promote the "Corporate Governance 3.0-Sustainable Development Blueprint" project and the Company's practical needs, it is proposed to revise some provisions of the Company's "Sustainable Development Best Practice Principles". For the comparison table before and after the revision, please refer to Annex 1 page. 13-17 of 2023 Annual Shareholders' Meeting Agenda Handbook.

Report No. 7 (Proposed by the Board of Directors)

Report on the establishment of "Corporate Governance Best Practices" for the Company.

Explanation:

In accordance with regulatory amendments and operational needs of the Company, we propose to establish the "Corporate Governance Best Practices" for the Company, as outlined in Annex 2 of the meeting handbook from page 18 to page 45.

Report No. 8 (Proposed by the Board of Directors)

Report on the Revision of the "Code of Business Ethics" for the Company.

Explanation:

Based on the operational needs of the Company, we propose to revise certain articles of our "Code of Business Ethics." A comparison table of the revisions is provided in Annex 3 of the meeting handbook from page 46 to page 48.

II. Proposals Matters

Case No. 1 (Proposed by the Board of Directors)

2023 Business Report and Financial Statements

Explanation:

- 1) The Company's financial statements and consolidated financial statements for the year 2023 have been prepared and commissioned. The audit report to be issued by Yu-Ting Hsin and I-Wen Wang accountants of KPMG in Taiwan Accounting Firm. For the above statement, please refer to page. 49 to 62 of Annex 4 of the 2024 Annual Shareholders' Meeting Agenda Handbook, and for the business report, please refer to page. 3-6 of the 2024 Annual Shareholders' Meeting Agenda Handbook.
- 2) For your review and approval.

Resolution :

Case No. 2 (Proposed by the Board of Directors)

Report on 2023 Deficit Allocation

Explanation:

- 1) The after-tax loss of the Company for the 2023 was NT\$270,647,576. This loss, combined with the beginning-of-year undistributed earnings of NT\$603,332,440 and actuarial losses of NT\$2,384,825 for defined benefit plans, and adjusting for changes in equity of subsidiaries amounting to NT\$17,597, resulted in distributable earnings at the end of the period totaled NT\$330,282,442.
- 2) Due to the loss incurred in 2023, the Company does not plan to distribute dividends for 2023.
- 3) The deficit allocation is as follows:

Celxpert Energy Corporation

2023 Deficit Allocation

Item	Unit: NT\$ Amount
Undistributed retained earnings at the beginning of year	603,332,440
Add : 2023 net loss after tax	(270,647,576)
Add : 2023 Other comprehensive income/loss - Loss on defined benefit plans	(2,384,825)
Less : Difference between consideration and carrying amount of subsidiaries acquired or disposed	(17,597)
Less : Legal reserve (10%)	0
Earnings available for distribution	330,282,442
Cash Dividends (\$0/share)	0
Undistributed retained earnings at the end of year	330,282,442

Shih-Ming Huang
Chairman

Shih-Ming Huang
General Manager

Chien-Yu Lin
Accounting Supervisor

- 1) For your review and approval.

Resolution :

III. Elections Matters

Case:

Election of the 10th board of directors (Proposed by the Board of Directors)

Explanation :

- 1) The 9th Board of Directors (including independent directors) of the Company has a term of three years, which will conclude on July 4, 2024. The election for the 10th Board of Directors is scheduled to take place at 2024 shareholder's meeting.
- 2) The term of office for the 10th Board of Directors will be from June 13, 2024, to June 12, 2027, spanning three years. Outgoing directors (including independent directors) will cease their positions upon the appointment of new directors.
- 3) As per Article 16 of the Company's Articles of Incorporation, the election of directors (including independent directors) follows a candidate nomination system. There are nine director positions (including four independent directors). The list of director candidates (including independent directors) was approved by the Board of Directors on March 15, 2024, and relevant details are provided below:

No.	Candidate Category	Name	Number of shares held	Experiences	Has served as an independent director for three consecutive terms/reasons
1	Director	Shih-Ming Huang	3,186,194	Master of Electrical Engineering from Georgia Institute of Technology, USA General Manager, Audix Technology Co., Ltd. Engineering Manager, Procurement Manager, and Deputy General Manager, Compal Electronics, Inc. Chairman and General Manager, Celxpert Energy Corporation Chairman, Celxpert Holdings Ltd.(BVI) Director, PT.Celxpert Energy Indonesia Chairman, Celxpert Energy (H.K.) Ltd. Chairman, Advance Smart Industrial Ltd.(BVI) Chairman, Celxpert (Kunshan) Electronics Co., Ltd. Director, Keelgoal Energy Co., Ltd.	Not Applicable
2	Director	Chien-Ting Chen	802,811	Master's degree in Business from National Taiwan University Senior Vice President, Lien Chuang Investment Corporation Legal Representative Director, Visual Photonics Epitaxy Co., Ltd. Legal Representative Director, Ascent Development Co., Ltd. Member of the Compensation Committee, Shih Wei Navigation Co., Ltd.	Not Applicable
3	Director	KangHuei Investment Co., Ltd Representative: Wen-hung Huang	2,539,549	MBA in Advanced Management from Royal Roads University, Canada Vice President, Channel Tend Technologies Co., Ltd.	Not Applicable
4	Director	KangHuei Investment Co., Ltd Representative: Chung-Kuei Hsu	2,539,549	Department of Political Science, Political Warfare College, National Defense University Chairman, Hansheng Construction Co., Ltd. General Manager, Chun Hong Construction Co., Ltd. General Manager, Chun Tian Construction Co., Ltd.	Not Applicable
5	Director	KAISENG INVESTMENT CO. Representative: Ching-Jung Huang	1,590,577	Master's degree in Atomic Science from Tsinghua University Vice President, Celxpert Energy Corporation Chairman, Kaiseng Investment Co., Ltd. Chairman, Keelgoal Energy Co., Ltd.	Not Applicable
6	Independent Director	Wei-Hung Lin	0	Master's degree in Management from Taiwan University of Science and Technology Accountant, Gao Fu Accounting Firm Chairman, Gao Fu Management Consultants Co., Ltd. Director, Asia Electronic Material Co., Ltd.	Yes Renominating based on His accounting expertise And deep familiarity with the Electronics industry, Expected to significantly Contribute to the operation Of the board and the company Over the

					next three years
7	Independent Director	Jan-Yan Lin	0	Ph.D. in Business Administration from National Chengchi University Leader of China-Taiwan Business and Trade Network Project, Mainland Affairs Council Vice Dean, the College of Commerce at Chung Yuan Christian University Full-time Professor, Department of Business Administration at Chung Yuan Christian University Director, the Global Taiwanese Business Research Center at Chung Yuan Christian University	Not Applicable
8	Independent Director	Chih-Wei Tsai	0	Master's degree in Accounting from National Chengchi University Managing Partner Accountant, Chainye Accounting Firm Independent Director, Taiwan Chinsan Electronic Independent Director, Universal Microwave Technology Inc. Independent Director, Yankey Engineering Co., Ltd.	Not Applicable
9	Independent Director	Ming-Hsiu Cheng	0	Ph.D. in Law from the University of Münster, Germany Distinguished Professor in the Department of Law at Soochow University Member of the Administrative Appeals Review Committee, the Executive Yuan Member of the Appeals Review Committee, the Control Yuan Member of the Regulations Committee, the New Taipei City Government	Not Applicable

- 4) For the the Company's Rules for Director Elections, please refer to Appendix 5 , page. 80 of the Annual Shareholders' Meeting Handbook.
- 5) Please vote.

Resolution:

IV. Other Matters

Case: (Proposed by the Board of Directors)

Removal of non-compete restrictions on directors of the Company.

Explanation:

- 1) According to the provisions of Article 209 of the Company Act, directors shall obtain the approval of the shareholders' meeting for their own or others' actions within the Company's business scope.
- 2) Considering the possibility that the newly appointed directors and their representatives may concurrently serve as directors of companies with similar or overlapping business scopes as the Company, we propose seeking approval from the shareholders' meeting, in accordance with Article 209 of the Company Act, to remove the non-compete restrictions on director and representative, provided that this action does not compromise the interests of the Company.
- 3) For new directors who concurrently hold positions in other companies, please refer to the table below. Please discuss.

Director	Currently holding a company position within the company's business scope
Shih-ming Huang	Director, PT.Celxpert Energy Indonesia Chairman, Celxpert Energy Corporation (Changchun) Director, Keelgoal Energy Co., Ltd.
Ching-Jung Huang (KAISENG INVESTMENT CO. Representative:)	Director, PT. Celxpert Energy Indonesia. Director, Celxpert Energy Corporation (Changchun) Chairman, Keelgoal Energy Co., Ltd. Independent Director, CoreMax Corporation

Resolution :

V. Questions and Motions

VI. Adjournment

III 、Annex

Annex 1

Celxpert Energy Corporation
Sustainable Development Best Practice Principles Comparison Table

Article No.	After amendments	Before amendments	illustration
Name of Principles	Sustainable Development Best Practice Principles	Corporate Social Responsibility Best Practice Principles	In cooperateion with the competent authorities to promote the "Corporate Governance 3.0-Sustainable Development Blueprint" project and The Company's practical needs.
Article 3	In fulfilling <u>Sustainable Development</u> , The Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. <u>The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</u>	In fulfilling corporate social responsibility initiatives , The Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.	In cooperateion with the competent authorities to promote the "Corporate Governance 3.0-Sustainable Development Blueprint" project and The Company's practical needs.
Article 4	To implement <u>Sustainable Development</u> , the Company shall follow the principles below: 1.Exercise corporate governance. 2.Foster a sustainable environment. 3.Preserve public welfare. 4.Enhance disclosure of corporate social responsibility information.	To implement corporate—social responsibility initiatives , the Company shall follow the principles below: 1.Exercise corporate governance. 2.Foster a sustainable environment. 3.Preserve public welfare. 4.Enhance disclosure of corporate social responsibility information.	In cooperateion with the competent authorities to promote the "Corporate Governance 3.0-Sustainable Development Blueprint" project and The Company's practical needs.
Article 5	The Company shall take into consideration the correlation between the development of domestic and international <u>Sustainable Development</u> , and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for <u>Sustainable Development</u> programs. When a shareholder proposes a motion involving <u>Sustainable Development</u> , The Company's Board of Directors is advised to review and consider including it in the shareholders' meeting agenda.	The Company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the Board of Directors and then reported to the shareholders' meeting. When a shareholder proposes a motion involving corporate social responsibility , The Company's Board of Directors is advised to review and consider including it in the shareholders' meeting agenda.	In cooperateion with the competent authorities to promote the "Corporate Governance 3.0-Sustainable Development Blueprint" project and The Company's practical needs.
Article 7	The directors of The Company shall exercise the due care of good administrators to urge The Company to perform its corporate social responsibility initiatives, examine the results of the	The directors of The Company shall exercise the due care of good administrators to urge The Company to perform its corporate social responsibility initiatives, examine the results of the	In cooperateion with the competent authorities to promote the "Corporate Governance 3.0-Sustainable Development

Article No.	After amendments	Before amendments	illustration
	implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its Sustainable Development. <u>The Board of Directors of The Company is advised to give full consideration to the interests of stakeholders, including the following matters, in The Company's performance of its Sustainable Development initiatives:</u> <u>1. Identifying The Company's Sustainable Development mission or vision, and declaring its Sustainable Development policy, systems or relevant management guidelines;</u> <u>2. Making Sustainable Development the guiding principle of The Company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives ; and</u> <u>3. Enhancing the timeliness and accuracy of the disclosure of Sustainable Development information.</u> <u>The Company's Board of Directors supervises and assists the senior management to implement corporate governance and Sustainable Development practices. In order to improve the management of sustainable development, a Sustainable Development committee is established under the Board of Directors. The committee is responsible for the proposal and implementation of Sustainable Development policies, systems or related management guidelines and specific promotion plans, and reports to the Board of Directors on a regular basis.</u> <u>The Company should formulate a reasonable salary policy to ensure that the salary plan can meet the organization's strategic goals and the interests of stakeholders.</u> <u>The employee performance appraisal system should be combined with the sustainable development policy, and a clear and effective reward and punishment system should be established.</u>	implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.	Blueprint" project and The Company's practical needs.
Article 8	The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of The Company, and establish a designated section for stakeholders on The Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important Sustainable Development issues which they are concerned about.	The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of The Company, and establish a designated section for stakeholders on The Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.	In cooperateion with the competent authorities to promote the "Corporate Governance 3.0- Sustainable Development Blueprint" project and The Company's practical needs.
Article 15	The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate	The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate	In cooperateion with the competent authorities to promote the "Corporate

Article No.	After amendments	Before amendments	illustration
	greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1.Direct greenhouse gas emissions: emissions from operations that are owned or controlled by The Company. 2.Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. <u>3. Other indirect emissions: emissions from corporate activities are not indirect energy emissions, but come from emission sources owned or controlled by other companies.</u> <u>The same time, it is advisable to assess the current and future potential risks and opportunities of climate change on the enterprise, and take relevant countermeasures.</u> It is also advisable to make statistics on greenhouse gas emissions, water consumption and the total weight of waste, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction or other waste management, and incorporate the acquisition of carbon rights into The Company's carbon reduction strategy planning. And promote it accordingly to reduce the impact of The Company's operating activities on climate change.	greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1.Direct greenhouse gas emissions: emissions from operations that are owned or controlled by The Company. 2.Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. The same time, The Company shall monitor the impact of climate change on their operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon the operations and the result of a greenhouse gas inventory. Such strategies should include obtaining carbon credits to promote and minimize the impact of their business operations on climate change	Governance 3.0- Sustainable Development Blueprint" project and The Company's practical needs.
Article 25	The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, The Company is advised to <u>formulate supplier management policies and require suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labour rights</u> and assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. If The Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.	The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, The Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. The Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.	In cooperateion with the competent authorities to promote the "Corporate Governance 3.0- Sustainable Development Blueprint" project and The Company's practical needs.

Article No.	After amendments	Before amendments	illustration
Article 26	The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company is advised to promote community development through equity investment, commercial activities, endowments, volunteering service or other charitable professional services or participate in events held by citizen organizations, charities and local government agencies relating to community development and community education. <u>The Company should continue to pour resources into cultural and artistic activities or cultural and creative industries through donation, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services or other support modes to promote cultural development.</u>	The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company is advised to promote community development through equity investment, commercial activities, endowments, volunteering service or other charitable professional services or participate in events held by citizen organizations, charities and local government agencies relating to community development and community education.	In cooperation with the competent authorities to promote the "Corporate Governance 3.0- Sustainable Development Blueprint" project and The Company's practical needs
Article 27	The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their <u>Sustainable Development</u> initiatives to improve information transparency. Relevant information relating to <u>Sustainable Development</u> which TWSE/GTSM listed companies shall disclose includes: 1.The policy, systems or relevant management guidelines, and concrete promotion plans for corporate <u>Sustainable Development</u> initiatives, as resolved by the board of directors. 2.The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3.Goals and measures for realizing the <u>Sustainable Development</u> initiatives established by the companies, and performance in implementation. 4.Major stakeholders and their concerns. 5.Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6.Other information relating to <u>Sustainable Development</u> initiatives.	The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency. Relevant information relating to corporate social responsibility which TWSE/GTSM listed companies shall disclose includes: 1.The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the Board of Directors. 2.The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3.Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation. 4.Major stakeholders and their concerns. 5.Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6.Other information relating to corporate social responsibility initiatives.	In cooperation with the competent authorities to promote the "Corporate Governance 3.0- Sustainable Development Blueprint" project and The Company's practical needs
Article 28	The Company shall adopt internationally widely recognized standards or guidelines when producing <u>Sustainable</u>	The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social	In cooperation with the competent authorities to promote the "Corporate

Article No.	After amendments	Before amendments	illustration
	<u>Development</u> reports, to disclose the status of their implementation of the <u>Sustainable Development</u> policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1.The policy, system, or relevant management guidelines and concrete promotion plans for implementing <u>Sustainable Development</u> initiatives. 2.Major stakeholders and their concerns. 3.Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4.Future improvements and goals.	responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1.The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives. 2.Major stakeholders and their concerns. 3.Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4.Future improvements and goals.	Governance 3.0- Sustainable Development Blueprint" project and The Company's practical needs
Article 29	The Company shall at all times monitor the development of domestic and foreign corporate <u>Sustainable Development</u> standards and the change of business environment so as to examine and improve their established <u>Sustainable Development</u> framework and to obtain better results from the implementation of the <u>Sustainable Development</u> policy.	The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.	In cooperation with the competent authorities to promote the "Corporate Governance 3.0- Sustainable Development Blueprint" project and The Company's practical needs
Article 30	This Principles shall be implemented after being approved by the Board of Directors, and the same procedure will be practiced when it comes to amendments. This Principles was established on November 3, 2016. <u>The first amendments of this Principles were established on 3 May, 2023.</u>	This Principles were implemented after being approved by the Board of Directors, and it will be practiced when it comes to amendments. This Principles was established on November 3, 2016.	Revised the number of revisions

Corporate Governance Best Practice Principles

Chapter I General Principles

Article 1

In order to establish sound corporate governance systems and an effective corporate governance framework, the Company establishes and adheres to the Corporate Governance Best Practice Principles with reference to the 「Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies」 and discloses them through the Market Observation Post System (MOPS).

Article 2

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

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

Article 3

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

The Company shall perform full self-assessments of its internal control system. Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly

basis. The audit committee shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors.

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

Article 3-1

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

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

1. Handling matters relating to board meetings and shareholders meetings according to laws
2. Producing minutes of board meetings and shareholders meetings
3. Assisting in onboarding and continuous development of directors and supervisors
4. Furnishing information required for business execution by directors and supervisors
5. Assisting directors with legal compliance

6. Reporting to the Board of Directors on the examination results of the qualifications of independent directors during their nomination, appointment, and tenure to ensure compliance with relevant regulations.
7. Handling matters related to changes in directors.
8. Other matters set out in the articles or corporation or contracts

Chapter II Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4

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

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

Article 5

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

The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

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

Article 6

The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements

shall be made to hold shareholders meetings at a convenient location, advisably with video conferencing available and sufficient time allowed and sufficient number of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.

For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors and convener of the audit committee attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7

The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

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

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

Article 8

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

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

Article 9

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

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

Article 10

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

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

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

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the company's financial reports or relevant results. Measures include, without limitation, those prohibiting a director from trading its shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.

Article 11

The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector. The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the Company.

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

Article 12

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish

operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

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

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

Article 13

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

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

It is advisable for the Company to handle the matters referred to in the preceding two paragraphs and to maintain relevant written records for future reference.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13-1

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

Article 13-2

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

Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

Article 14

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

Article 15

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

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

Article 16

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment

of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17

When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.

Article 18

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

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the Company to conduct any business which is contrary to normal business practice or not profitable.
2. Its representative shall follow the rules implemented by the Company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director.
3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.

5. It shall not restrict or impede the management or production of the Company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director shall meet the Company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19

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

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

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

Chapter III Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20

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

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

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

1. Basic requirements and values: Gender, age, nationality, and culture;
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:
 1. Ability to make operational judgments.
 2. Ability to perform accounting and financial analysis.
 3. Ability to conduct management administration.
 4. Ability to conduct crisis management.
 5. Knowledge of the industry.
 6. An international market perspective.
 7. Ability to lead.
 8. Ability to make policy decisions.

Article 21

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

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

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

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

Article 22

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

Article 23

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

It is inappropriate for the chairperson to also act as the general manager, It is advisable to increase the number of independent director, and the majority of directors should not hold positions as employees or managers.

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

Section 2 Independent Director System

Article 24

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

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

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

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

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

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and

Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 25

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

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director or a supervisor.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 26

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The

company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

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

Section 3 Functional Committees

Article 27

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

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

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

Article 28

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

least one of whom shall have accounting or financial expertise. The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies and the regulations of competent authority

Article 28-1

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

Article 28-2

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

Article 28-3

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

Article 29

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

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

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

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

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

Article 30

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

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

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

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

Article 31

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

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

Article 32

The company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal

and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

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

Article 33

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

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

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

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

Article 34

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

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

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

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

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

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

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

Article 35

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

1. Corporate business plans.

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

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

Article 36

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

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

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

Article 37

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

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

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

5. Internal controls.

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

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

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

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

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

Article 37-1

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

Article 37-2

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

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

Article 38

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

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee,

Article 39

The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread

the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

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

Article 40

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

Chapter IV Respecting Stakeholders' Rights

Article 41

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

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

Article 42

The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the

company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43

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

Article 44

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

Chapter V Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45

Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related regulations of competent authority.

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

Article 46

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

Acting spokespersons who shall represent the company in making statements independently when the spokesperson cannot perform his/her duties.

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

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

Article 47

In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English.

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

Article 48

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

Section 2 Disclosure of Information on Corporate Governance

Article 49

The Company disclose and update from time to time the following information regarding corporate governance in compliance with regulations of competent authority:

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

Chapter VI Supplementary Provisions

Article 50

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

Article 51

This principle shall be implemented after the Board of directors grants the approval. The same procedures should be followed when the principles have been amended.

This principle was formulated on November 3rd, 2023.

Annex 3

Celxpert Energy Corporation

Revision Table of Ethical Corporate Management Best Practice Principle Before/After

Article No.	Before	After	Description
Article 20	Whistle blowing and disciplinary The company shall provide a legitimate reporting channel and ensure confidentiality regarding the identity of whistleblowers and the content of their reports. The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response. <u>Hotline: +886-3-4899054 ext. 1111</u> <u>Reporting Email: integrity@celxpert.com.tw</u>	Whistle blowing and disciplinary The company shall provide a legitimate reporting channel and ensure confidentiality regarding the identity of whistleblowers and the content of their reports. The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.	In accordance with the practical requirements of the Company
Article 21	<u>Whistle-blowing case filing and handling procedures</u> <u>The reported case shall be received and managed by the designated unit responsible for handling.</u> <u>The designated unit shall carefully review the content of the report and assess the severity of the case, categorizing and investigating it accordingly. Upon receipt of the case or creation of record, regardless of whether it is deemed substantiated, the designated unit shall provide a response to the whistleblower.</u> <u>After reported case is accepted, the relevant facts would need to be investigated. To request assistance from relevant units and legal counsel, the personal information of the whistleblower may be anonymized if necessary.</u>	(Add)	In accordance with the practical requirements of the Company

Article No.	Before	After	Description										
	<u>If it is confirmed that the accused individual has indeed violated relevant laws or company regulations, immediate cessation of relevant duties shall be requested with appropriate disciplinary action. Damages could be sought through legal proceedings to protect the company's interests. If no concrete evidence is found upon investigation, the reported case shall be closed and kept on record.</u>												
Article 22	<u>Classification on whistle-blowing case investigation and adjudication.</u> <u>Disposition of whistle-blowing case based on the impact, severity of the accused individual and adjudication level.</u> <table><tr><td><u>Violation level</u></td><td><u>Adjudication level</u></td></tr><tr><td><u>General staff</u></td><td><u>General manager and the highest executive of the department</u></td></tr><tr><td><u>Division level executive</u></td><td><u>Chairman</u></td></tr><tr><td><u>Company executive</u></td><td><u>Board of Directors, Audit Committee</u></td></tr><tr><td><u>Board of director</u></td><td><u>Independent Directors, Audit Committee</u></td></tr></table>	<u>Violation level</u>	<u>Adjudication level</u>	<u>General staff</u>	<u>General manager and the highest executive of the department</u>	<u>Division level executive</u>	<u>Chairman</u>	<u>Company executive</u>	<u>Board of Directors, Audit Committee</u>	<u>Board of director</u>	<u>Independent Directors, Audit Committee</u>	(Add)	In accordance with the practical requirements of the Company
<u>Violation level</u>	<u>Adjudication level</u>												
<u>General staff</u>	<u>General manager and the highest executive of the department</u>												
<u>Division level executive</u>	<u>Chairman</u>												
<u>Company executive</u>	<u>Board of Directors, Audit Committee</u>												
<u>Board of director</u>	<u>Independent Directors, Audit Committee</u>												
<u>Article 23</u>	Information disclosure The Company shall disclose the measures taken for implementing ethical corporate management, the status of implementation on their company websites, annual reports and prospectuses.	Information disclosure The Company shall disclose the measures taken for implementing ethical corporate management, the status of implementation on their company websites, annual reports and prospectuses.	Article 21 Previously										
<u>Article 24</u>	Review and revision of guidelines The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and	Review and revision of guidelines The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and	Article 22 Previously										

Article No.	Before	After	Description
	encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.	
<u>Article 25</u>	Implementation and revision record The principle shall be implemented after the Board of directors grants the approval. The same procedures should be followed when the principles have been amended. The Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting. This principle was formulated on December 15, 2010. The first amendment was on March 8, 2018. <u>The second amendment was on November 3, 2023.</u>	Implementation and revision record The principle shall be implemented after the Board of directors grants the approval. The same procedures should be followed when the principles have been amended. The Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting. This principle was formulated on December 15, 2010. The first amendment was on March 8, 2018.	Article 23 Previously

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Celxpert Energy Corporation

Opinion

We have audited the financial statements of Celxpert Energy Corporation(“the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

1. Inventory valuation

Please refer to Note (4)(g) and Note 5 of the financial statements for the accounting policy of inventory valuation as well as the accounting estimates and assumptions uncertainty of the inventory valuation, respectively. Information regarding the inventory is disclosed in Note (6)(d) of the financial statements.

Description of key audit matter:

The inventory of the Company is measured at the lower of cost or net realizable value. Due to the customized nature of the contract manufacturing business, the risk of inventory obsolescence is heightened when the anticipated orders from customer are in excess of actual purchases. Therefore, the inventory impairment assessment is identified as a key matter in our audit of the financial statements of the Company.

Audit procedures:

Our principal audit procedures included: understanding the policy of the Company on the provision of allowance for impairment loss on inventory, assessing whether the provision has been provided in accordance with the established accounting policies, ng policies. In addition, assessing the amount of management's allowance for inventories, including verifying the accuracy of the inventory aging report through sampling tests, understanding the basis used by the management to determine net realizable values, and performing sampling tests, thereby verifying the accuracy of estimated inventory allowance valuation.

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

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

In preparing the 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 the Audit Committee) are responsible for overseeing the Company' s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor' s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

The engagement partners on the audit resulting in this independent auditors' report are Hsin, Yu-Ting and Wang, I-Wen.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024

Note to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 1,320,868	26.0	883,630	13.7	2100	Short-term borrowings (note (6)(i))	\$ 378,852	7.5	642,560	10.0
1120	Current financial assets at fair value through other comprehensive income (note (6)(b))	30,321	0.6	-	-	2130	Current contract liabilities (note (6)(r))	6,084	0.1	12,252	0.2
1170	Accounts receivable, net (notes (6)(c) and (6)(r))	1,521,768	30.0	2,878,824	44.7	2170	Accounts payable	977,696	19.2	1,594,428	24.7
1180	Accounts receivable due from related parties, net (notes (6)(c), (6)(r) and (7))	107,993	2.1	22,695	0.4	2180	Accounts payable to related parties (note (7))	137,177	2.7	115,636	1.8
1200	Other receivables (note (7))	58,406	1.1	5,325	0.1	2200	Other payables (note (7))	192,573	3.8	279,409	4.3
1310	Inventories (note (6)(d))	816,251	16.1	1,742,545	27.0	2230	Current tax liabilities	55,056	1.1	121,764	1.9
1410	Prepayments	9,190	0.2	6,332	0.1	2280	Current lease liabilities (note (6)(l))	5,774	0.1	5,598	0.1
1470	Other current assets (note (8))	3,988	0.1	2,133	-	2300	Other current liabilities	55,710	1.1	58,816	0.9
1476	Other current financial assets (note (6)(a))	429,500	8.4	-	-			1,808,922	35.6	2,830,463	43.9
		4,298,285	84.6	5,541,484	86.0						
Non-current assets:						Non-current liabilities:					
1510	Non-current financial assets at fair value through profit or loss (note (6)(k))	760	-	-	-	2530	Bonds payable (note (6)(k))	330,871	6.5	-	-
1550	Investments accounted for using equity method (notes (6)(e) and (7))	504,439	9.9	621,646	9.7	2540	Long-term borrowings (note (6)(j))	400,000	7.9	1,000,000	15.5
1600	Property, plant and equipment (note (6)(g))	186,682	3.7	214,278	3.3	2560	Non-current tax liabilities	50,267	1.0	18,369	0.3
1755	Right-of-use assets (note (6)(h))	12,404	0.3	14,290	0.2	2570	Deferred tax liabilities (note (6)(n))	628	-	538	-
1780	Intangible assets	1,787	-	966	-	2580	Non-current lease liabilities (note (6)(l))	6,772	0.1	8,802	0.2
1840	Deferred tax assets (note (6)(n))	78,132	1.5	47,237	0.8	2640	Non-current net defined benefit liabilities (note (6)(m))	1,018	-	-	-
1920	Refundable deposits	943	-	2,233	-			789,556	15.5	1,027,709	16.0
1975	Non-current net defined benefit assets (note (6)(m))	-	-	1,513	-			2,598,478	51.1	3,858,172	59.9
		785,147	15.4	902,163	14.0						
Total assets		\$ 5,083,432	100.0	6,443,647	100.0	Total liabilities					
						Equity attributable to owners of parent (notes (6)(k) and (6)(o)):					
						3110	Ordinary shares	883,059	17.4	803,059	12.5
						3200	Capital surplus	860,717	16.9	640,924	9.9
						3310	Legal reserves	378,829	7.5	356,678	5.5
						3350	Unappropriated retained earnings	330,283	6.5	745,943	11.6
						3400	Other equity interest	32,066	0.6	38,871	0.6
								2,484,954	48.9	2,585,475	40.1
						Total equity		\$ 5,083,432	100.0	6,443,647	100.0
						Total liabilities and equity					

CELXPRT ENERGY CORPORATION
Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars , except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (notes (6)(r) and (7))	\$ 7,087,078	100.0	11,090,325	100.0
5110	Operating costs (notes (6)(d), (6)(m), (7) and (12))	6,682,103	94.3	10,187,549	91.9
	Gross profit from operations	404,975	5.7	902,776	8.1
5910	Less: Unrealized loss from sales	121	-	-	-
5900	Gross profit from operations, net	404,854	5.7	902,776	8.1
6000	Operating expenses (notes (6)(m), (6)(s), (7) and (12)):				
6100	Selling expenses	147,413	2.1	238,973	2.2
6200	Administrative expenses	176,622	2.5	200,481	1.8
6300	Research and development expenses	175,237	2.4	204,787	1.8
6450	Gains on reversal of expected credit losses (note (6)(c))	(2,905)	-	(917)	-
		496,367	7.0	643,324	5.8
6900	Net operating (loss) income	(91,513)	(1.3)	259,452	2.3
	Non-operating income and expenses:				
7100	Interest income	19,013	0.3	3,315	-
7190	Other income (note (6)(t))	6,635	0.1	31,611	0.3
7050	Finance costs (notes (6)(k) and (6)(l))	(55,430)	(0.8)	(33,934)	(0.3)
7630	Foreign exchange (losses) gains, net (note (6)(u))	(3,150)	-	143,424	1.3
7635	Losses on financial assets (liabilities) at fair value through profit or loss (note (6)(k))	(3,680)	(0.1)	-	-
7590	Other expenses (note (6)(t))	(61,995)	(0.9)	(35,997)	(0.3)
7070	Share of loss of subsidiaries, associates and joint ventures accounted for using equity method, net	(112,174)	(1.6)	(79,069)	(0.7)
		(210,781)	(3.0)	29,350	0.3
7900	(Loss) profit before tax	(302,294)	(4.3)	288,802	2.6
7950	Less: Income tax (benefit) expenses (note (6)(n))	(31,647)	(0.5)	68,196	0.6
8200	Net (loss) profit	(270,647)	(3.8)	220,606	2.0
8300	Other comprehensive (loss) income:				
8310	Items that will not be reclassified to profit or loss:				
8311	(Losses) gains on remeasurements of defined benefit plans (note (6)(m))	(2,981)	-	2,977	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(n))	(596)	-	595	-
		(2,385)	-	2,382	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	(5,028)	(0.1)	18,536	0.2
8367	Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	(1,777)	-	-	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified subsequently to profit or loss	-	-	-	-
		(6,805)	(0.1)	18,536	0.2
8300	Other comprehensive (loss) income	(9,190)	(0.1)	20,918	0.2
8500	Total comprehensive (loss) income	\$ (279,837)	(3.9)	241,524	2.2
	Earnings per share (note (6)(q))				
9750	Basic (losses) earnings per share	\$ (3.27)		2.75	
9850	Diluted (losses) earnings per share	\$ (3.27)		2.71	

CELXPRT ENERGY CORPORATION
Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars)

	Other equity interest								
	Retained earnings					Unrealized losses on financial assets measured at fair value through other comprehensive income			
	Ordinary shares	Capital surplus	Legal reserves	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest	Total equity	
Balance at January 1, 2022	\$ 803,059	640,924	325,092	716,634	1,041,726	20,335	-	20,335	2,506,044
Profit for the year ended December 31, 2022	-	-	-	220,606	220,606	-	-	-	220,606
Other comprehensive income for the year ended December 31, 2022	-	-	-	2,382	2,382	18,536	-	18,536	20,918
Total comprehensive income for the year ended December 31, 2022	-	-	-	222,988	222,988	18,536	-	18,536	241,524
Appropriation and distribution of retained earnings:									
Legal reserves appropriated	-	-	31,586	(31,586)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(160,612)	(160,612)	-	-	-	(160,612)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(1,481)	(1,481)	-	-	-	(1,481)
Balance at December 31, 2022	803,059	640,924	356,678	745,943	1,102,621	38,871	-	38,871	2,585,475
Loss for the year ended December 31, 2023	-	-	-	(270,647)	(270,647)	-	-	-	(270,647)
Other comprehensive loss for the year ended December 31, 2023	-	-	-	(2,385)	(2,385)	(5,028)	(1,777)	(6,805)	(9,190)
Total comprehensive loss for the year ended December 31, 2023	-	-	-	(273,032)	(273,032)	(5,028)	(1,777)	(6,805)	(279,837)
Appropriation and distribution of retained earnings:									
Legal reserves appropriated	-	-	22,151	(22,151)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(120,459)	(120,459)	-	-	-	(120,459)
Issuance of ordinary shares	80,000	131,200	-	-	-	-	-	-	211,200
Conversion of convertible bonds	-	84,201	-	-	-	-	-	-	84,201
Changes in ownership interests in a subsidiary	-	-	-	(18)	(18)	-	-	-	(18)
Share-based payments	-	4,392	-	-	-	-	-	-	4,392
Balance at December 31, 2023	\$ 883,059	860,717	378,829	330,283	709,112	33,843	(1,777)	32,066	2,484,954

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

Chairman: Shih-Ming Huang General Manager: Shih-Ming Huang Accounting Supervisor: Chien-Yu Lin

CELXPART ENERGY CORPORATION
Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (302,294)	288,802
Adjustments:		
Adjustments to reconcile (loss) profit:		
Depreciation expense	46,649	52,367
Amortization expense	1,221	3,475
Gains on reversal of expected credit loss	(2,905)	(917)
Net loss on financial assets at fair value through profit or loss	3,680	-
Interest expense	55,430	33,934
Interest income	(19,013)	(3,315)
Share-based payments	4,274	-
Share of loss of subsidiaries, associates and joint ventures accounted for using equity method	112,174	79,069
Others	105	268
Total adjustments to reconcile (loss) profit	<u>201,615</u>	<u>164,881</u>
Changes in operating assets and liabilities:		
Decrease in accounts receivable	1,274,663	1,612,784
(Increase) decrease in other receivables	(52,000)	6,676
Decrease (increase) in inventories	926,294	(2,717)
(Increase) decrease in prepayments and other current assets	(4,713)	952
Decrease in current contract liabilities	(6,168)	(30,615)
Decrease in notes and accounts payable	(595,191)	(916,706)
Decrease in other payables and other current liabilities	(89,646)	(7,174)
Decrease in net defined benefit liabilities	(450)	(470)
Total changes in operating assets and liabilities	<u>1,452,789</u>	<u>662,730</u>
Cash inflow generated from operations	1,352,110	1,116,413
Interest received	17,932	3,315
Interest paid	(41,541)	(32,231)
Income taxes paid	(33,372)	(19,923)
Net cash flows from operating activities	<u>1,295,129</u>	<u>1,067,574</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,098)	-
Acquisition of investments accounted for using equity method	-	(85,000)
Acquisition of property, plant and equipment	(11,490)	(58,169)
Decrease in refundable deposits	1,290	-
Acquisition of intangible assets	(2,042)	(448)
Increase in other current financial assets	(429,500)	-
Net cash flows used in investing activities	<u>(473,840)</u>	<u>(143,617)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(263,708)	(608,043)
Proceeds from issuance of convertible corporate bonds	395,820	-
Proceeds from long-term borrowings	200,000	450,000
Repayments of long-term borrowings	(800,000)	(100,000)
Payment of lease liabilities	(6,904)	(7,150)
Cash dividends paid	(120,459)	(160,612)
Proceeds from issue of ordinary shares	211,200	-
Net cash flows used in financing activities	<u>(384,051)</u>	<u>(425,805)</u>
Net increase in cash and cash equivalents	437,238	498,152
Cash and cash equivalents at beginning of period	883,630	385,478
Cash and cash equivalents at end of period	<u><u>\$ 1,320,868</u></u>	<u><u>883,630</u></u>

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

Chairman: Shih-Ming Huang General Manager: Shih-Ming Huang Accounting Supervisor: Chien-Yu Lin

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Celxpert Energy Corporation

Opinion

We have audited the consolidated financial statements of Celxpert Energy Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, 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 Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

1. Inventory valuation

Please refer to Note (4)(h) and Note 5 of the consolidated financial statements for the accounting policy of inventory valuation as well as the accounting estimates and assumptions uncertainty of the inventory valuation, respectively. Information regarding the inventory is disclosed in Note (6)(d) of the consolidated financial statements.

Description of key audit matter:

The inventory of the Group is measured at the lower of cost or net realizable value. Due to the customized nature of the contract manufacturing business, the risk of inventory obsolescence is heightened when the anticipated orders from customer are in excess of actual purchases. Therefore, the inventory impairment assessment is identified as a key matter in our audit of the financial statements of the Group.

Audit procedures:

Our principal audit procedures included: understanding the policy of the Group on the provision of allowance for impairment loss on inventory, assessing whether the provision has been provided in accordance with the established accounting policies. In addition, assessing the amount of management's allowance for inventories, including verifying the accuracy of the inventory aging report through sampling tests, understanding the basis used by the management to determine net realizable values, and performing sampling tests, thereby verifying the accuracy of estimated inventory allowance valuation.

Other Matter

Celxpert Energy Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 and 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.

The engagement partners on the audit resulting in this independent auditors' report are Hsin, Yu-Ting and Wang, I-Wen.

KPMG

Taipei, Taiwan (Republic of China)
March 15, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note (6)(a))	\$ 1,600,116	30.4	1,131,007	17.2	2100	Short-term borrowings (note (6)(h))	\$ 563,082	10.7	765,400	11.6
1120	Current financial assets at fair value through other comprehensive income (note (6)(b))	30,321	0.6	-	-	2130	Current contract liabilities (note (6)(q))	12,106	0.2	31,300	0.5
1170	Accounts receivable, net (notes (6)(c) and (6)(q))	1,594,760	30.3	2,891,091	43.8	2170	Notes and accounts payable	995,965	18.9	1,623,636	24.6
1200	Other receivables, net	2,924	-	4,564	0.1	2200	Other payables (note (7))	259,094	4.9	344,332	5.2
1310	Inventories (note (6)(d))	845,019	16.1	1,742,545	26.4	2230	Current tax liabilities	55,056	1.1	121,914	1.9
1410	Prepayments	18,962	0.4	22,070	0.3	2280	Current lease liabilities (note (6)(k))	8,223	0.2	6,869	0.1
1470	Other current assets	8,658	0.2	2,238	-	2300	Other current liabilities	56,107	1.1	58,887	0.9
1476	Other current financial assets (note (6)(a))	455,946	8.7	10,687	0.2			1,949,633	37.1	2,952,338	44.8
		4,556,706	86.7	5,804,202	88.0		Non-current liabilities:				
	Non-current assets:					2530	Bonds payable (note (6)(j))	330,871	6.3	-	-
1510	Non-current financial assets at fair value through profit or loss (note (6)(j))	760	-	-	-	2540	Long-term borrowings (note (6)(i))	400,000	7.6	1,000,000	15.2
1600	Property, plant and equipment (note (6)(f))	566,747	10.8	691,224	10.5	2560	Non-current tax liabilities	50,267	1.0	18,369	0.3
1755	Right-of-use assets (note (6)(g))	31,756	0.6	29,237	0.4	2570	Deferred tax liabilities (note (6)(m))	628	-	538	-
1780	Intangible assets	6,704	0.1	5,596	0.1	2580	Non-current lease liabilities (note (6)(k))	17,033	0.3	15,287	0.2
1840	Deferred tax assets (note (6)(m))	78,132	1.5	47,237	0.7	2600	Other non-current liabilities (note (6)(f))	5,564	0.1	8,746	0.1
1975	Non-current net defined benefit assets (note (6)(l))	-	-	1,513	-	2640	Non-current net defined benefit liabilities (note (6)(l))	1,018	-	-	-
1900	Other non-current assets	16,437	0.3	18,165	0.3			805,381	15.3	1,042,940	15.8
		700,536	13.3	792,972	12.0		Total liabilities	2,755,014	52.4	3,995,278	60.6
	Total assets	\$ 5,257,242	100.0	6,597,174	100.0		Equity attributable to owners of parent (note (6)(n)):				
						3110	Ordinary shares	883,059	16.8	803,059	12.2
						3200	Capital surplus	860,717	16.4	640,924	9.7
						3310	Legal reserves	378,829	7.2	356,678	5.4
						3350	Unappropriated retained earnings	330,283	6.3	745,943	11.3
						3400	Other equity interest	32,066	0.6	38,871	0.6
							Total equity attributable to owners of parent:	2,484,954	47.3	2,585,475	39.2
							Non-controlling interests:				
						36XX	Non-controlling interests	17,274	0.3	16,421	0.2
							Total equity	2,502,228	47.6	2,601,896	39.4
							Total liabilities and equity	\$ 5,257,242	100.0	6,597,174	100.0

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

Chairman: Shih-Ming Huang General Manager: Shih-Ming Huang Accounting Supervisor: Chien-Yu Lin

CELXPRT ENERGY CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars , except for earnings per share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (note (6)(q))	\$ 7,203,544	100.0	11,099,590	100.0
5110	Operating costs (notes (6)(d), (6)(l) and (12))	6,737,195	93.5	10,103,023	91.0
5900	Gross profit from operations	466,349	6.5	996,567	9.0
6000	Operating expenses (notes (6)(l), (6)(r), (7) and (12)):				
6100	Selling expenses	146,412	2.0	233,017	2.1
6200	Administrative expenses	315,758	4.4	344,396	3.1
6300	Research and development expenses	205,235	2.9	232,941	2.1
6450	Gains on reversal of expected credit losses (note (6)(c))	(2,856)	-	(917)	-
		664,549	9.3	809,437	7.3
6900	Net operating (loss) income	(198,200)	(2.8)	187,130	1.7
	Non-operating income and expenses:				
7100	Interest income	20,991	0.3	3,752	-
7190	Other income	15,158	0.2	35,162	0.3
7050	Finance costs (notes (6)(j) and (6)(k))	(69,287)	(1.0)	(38,583)	(0.3)
7630	Foreign exchange (losses) gains, net (note (6)(t))	(2,960)	-	142,080	1.3
7635	Losses on financial assets at fair value through profit or loss (note (6)(j))	(3,680)	-	-	-
7590	Other expenses (note (6)(s))	(63,471)	(0.9)	(40,329)	(0.4)
		(103,249)	(1.4)	102,082	0.9
7900	(Loss) profit before tax	(301,449)	(4.2)	289,212	2.6
7950	Less: Income tax (benefits) expenses (note (6)(m))	(31,637)	(0.4)	68,667	0.6
8200	Net (loss) profit	(269,812)	(3.8)	220,545	2.0
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss:				
8311	(Losses) gains on remeasurements of defined benefit plans (note (6)(l))	(2,981)	-	2,977	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note (6)(m))	(596)	-	595	-
		(2,385)	-	2,382	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	(5,028)	(0.1)	18,536	0.2
8367	Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	(1,777)	-	-	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
		(6,805)	(0.1)	18,536	0.2
8300	Other comprehensive (loss) income, net	(9,190)	(0.1)	20,918	0.2
8500	Total comprehensive (loss) income	\$ (279,002)	(3.9)	241,463	2.2
	(Loss) profit attributable to:				
8610	Owners of parent	\$ (270,647)	(3.8)	220,606	2.0
8620	Non-controlling interests	835	-	(61)	-
		\$ (269,812)	(3.8)	220,545	2.0
	Total comprehensive (loss) income attributable to:				
8710	Owners of parent	\$ (279,837)	(3.9)	241,524	2.2
8720	Non-controlling interests	835	-	(61)	-
		\$ (279,002)	(3.9)	241,463	2.2
	Earnings per share (note (6)(p))				
9750	Basic (losses) earnings per share	\$ (3.27)		2.75	
9850	Diluted (losses) earnings per share	\$ (3.27)		2.71	

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

Chairman: Shih-Ming Huang General Manager: Shih-Ming Huang Accounting Supervisor: Chien-Yu Lin

CELXPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Retained earnings					Other equity interest					
						Exchange differences on translation of foreign financial statements	Unrealized losses on financial assets measured at fair value through other comprehensive income		Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests
	Ordinary shares	Capital surplus	Legal reserves	Unappropriated retained earnings	Total retained earnings						
Balance at January 1, 2022	\$ 803,059	640,924	325,092	716,634	1,041,726	20,335	-	20,335	2,506,044	1	2,506,045
Profit (loss) for the year ended December 31, 2022	-	-	-	220,606	220,606	-	-	-	220,606	(61)	220,545
Other comprehensive income for the year ended December 31, 2022	-	-	-	2,382	2,382	18,536	-	18,536	20,918	-	20,918
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	222,988	222,988	18,536	-	18,536	241,524	(61)	241,463
Appropriation and distribution of retained earnings:											
Legal reserves appropriated	-	-	31,586	(31,586)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(160,612)	(160,612)	-	-	-	(160,612)	-	(160,612)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(1,481)	(1,481)	-	-	-	(1,481)	1,481	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	15,000	15,000
Balance at December 31, 2022	803,059	640,924	356,678	745,943	1,102,621	38,871	-	38,871	2,585,475	16,421	2,601,896
(Loss) profit for the year ended December 31, 2023	-	-	-	(270,647)	(270,647)	-	-	-	(270,647)	835	(269,812)
Other comprehensive loss for the year ended December 31, 2023	-	-	-	(2,385)	(2,385)	(5,028)	(1,777)	(6,805)	(9,190)	-	(9,190)
Total comprehensive (loss) income for the year ended December 31, 2023	-	-	-	(273,032)	(273,032)	(5,028)	(1,777)	(6,805)	(279,837)	835	(279,002)
Appropriation and distribution of retained earnings:											
Legal reserves appropriated	-	-	22,151	(22,151)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	(120,459)	(120,459)	-	-	-	(120,459)	-	(120,459)
Issuance of ordinary shares	80,000	131,200	-	-	-	-	-	-	211,200	-	211,200
Equity component of convertible bonds issued	-	84,201	-	-	-	-	-	-	84,201	-	84,201
Changes in ownership interests in a subsidiary	-	-	-	(18)	(18)	-	-	-	(18)	18	-
Share-based payments	-	4,392	-	-	-	-	-	-	4,392	-	4,392
Balance at December 31, 2023	\$ 883,059	860,717	378,829	330,283	709,112	33,843	(1,777)	32,066	2,484,954	17,274	2,502,228

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

Chairman: Shih-Ming Huang General Manager: Shih-Ming Huang Accounting Supervisor: Chien-Yu Lin

CELPERT ENERGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (301,449)	289,212
Adjustments:		
Adjustments to reconcile (loss) profit :		
Depreciation expense	169,084	187,117
Amortization expense	4,887	7,331
Gains on reversal of expected credit loss	(2,856)	(917)
Net losses on financial assets at fair value through profit or loss	3,680	-
Interest expense	69,287	38,583
Interest income	(20,991)	(3,752)
Share-based payments	4,392	-
Others	(1,176)	(2,113)
Total adjustments to reconcile (loss) profit	226,307	226,249
Changes in operating assets and liabilities:		
Decrease in accounts receivable	1,299,187	1,612,142
Decrease in other receivables	2,772	7,425
Decrease (increase) in inventories	897,526	(2,717)
Decrease (increase) in prepayments and other current assets	831	(25,489)
Decrease in current contract liabilities	(19,194)	(11,567)
Decrease in notes and accounts payable	(627,671)	(885,629)
Decrease in other payables and other current liabilities	(83,737)	(74,194)
Increase in net defined benefit liabilities	(450)	(470)
Total changes in operating assets and liabilities	1,469,264	619,501
Cash inflow generated from operations	1,394,122	1,134,962
Interest received	19,859	3,752
Interest paid	(54,464)	(35,931)
Income taxes paid	(37,731)	(17,923)
Net cash flows from operating activities	1,321,786	1,084,860
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,098)	-
Acquisition of property, plant and equipment	(47,157)	(241,159)
Proceeds from disposal of property, plant and equipment	56	19,426
Decrease (increase) in refundable deposits	3,752	4,327
Acquisition of intangible assets	(6,014)	(1,854)
Acquisition of right-of-use assets	(907)	(786)
Increase in other current financial assets	(445,259)	(10,687)
Increase in other non-current assets	(2,024)	-
Net cash flows used in investing activities	(529,651)	(230,733)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(202,318)	(595,923)
Proceeds from issuance of convertible bonds	395,820	-
Proceeds from long-term borrowings	200,000	450,000
Repayments of long-term borrowings	(800,000)	(100,000)
Payment of lease liabilities	(9,103)	(8,457)
Cash dividends paid	(120,459)	(160,612)
Proceeds from issuance of ordinary shares	211,200	-
Change in non-controlling interests	-	15,000
Net cash flows used in financing activities	(324,860)	(399,992)
Effect of exchange rate changes on cash and cash equivalents	1,834	12,828
Net increase in cash and cash equivalents	469,109	466,963
Cash and cash equivalents at beginning of period	1,131,007	664,044
Cash and cash equivalents at end of period	\$ 1,600,116	1,131,007

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

Chairman: Shih-Ming Huang General Manager: Shih-Ming Huang Accounting Supervisor: Chien-Yu Lin

IV. Appendices

Appendices 1

Celxpert Energy Corporation Sustainable Development Best Practice Principles

Chapter I	General Principles
Article 1	In order to to fulfil the corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, The Company set up corporate social responsibility principles in accordance with the "Corporate Social Responsibility Code of Practice for Listed OTC Companies" established by the competent authority to manage its economic, environmental, and social risks and impacts.
Article 2	The principles include the entire operations of The Company and its business group. The Company shall actively fulfil their corporate social responsibility in the course of their business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.
Article 3	The Company is committed to advancing sustainable development, with due regard for the rights and interests of stakeholders. As we pursue sustainable business practices alongside profitability, we prioritize environmental, social, and corporate governance factors, integrating them into our company's management principles and operational activities. Following the principle of materiality, we conduct risk assessments on environmental, social, and corporate governance issues pertinent to our operations and establish related risk management policies or strategies.
Article 4	To implement corporate social responsibility initiatives, the Company shall follow the principles below: 1.Exercise corporate governance. 2.Foster a sustainable environment. 3.Preserve public welfare. 4.Enhance disclosure of corporate social responsibility information.
Article 5	In consideration of the evolving trends in domestic and international sustainability issues, the alignment with our core business activities, and the impact of the Company's operations on stakeholders, we establish sustainability policies, systems, and related management guidelines, along with specific implementation plans. When shareholders propose resolutions related to sustainability, the Board of Directors should consider including them in the agenda of shareholder meetings.
Chapter II	Exercising Corporate Governance
Article 6	The Company shall follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.
Article 7	The Board of Directors of the Company has the duty to exercise good management oversight, ensure that the company practices social responsibility, and continually review the effectiveness of these practices to make improvements, thus ensuring the implementation of sustainability policies. When promoting sustainability goals, the Board should fully consider the interests of stakeholders and address the following: 1.Establish a sustainable development mission or vision, formulate sustainability policies, systems, or related management guidelines. 2.Incorporate sustainability into the Company's operational activities and development direction, and approve specific sustainability implementation plans. 3.Ensure timely and accurate disclosure of sustainability-related information. The Board oversees and supports senior management in implementing corporate governance and social responsibility. To enhance sustainable management, an Enterprise Sustainability Committee is established under the Board, responsible for proposing and implementing corporate sustainability policies, systems, related management guidelines, and specific implementation plans, reporting regularly to the Board.

The Company should adopt a reasonable compensation policy to align compensation planning with organizational strategic goals and stakeholder interests.

The employee performance evaluation system should be integrated with the sustainability policy and include clear and effective reward and disciplinary measures.

Article 8 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of The Company, and establish a designated section for stakeholders on The Company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they are concerned about.

Chapter III Fostering a Sustainable Environment

Article 9 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavour to promote a sustainable environment when engaging in business operations and internal management.

Article 10 The Company endeavour to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 11 The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of The Company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.
- 4.

Article 12 The Company is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 13 The Company is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 14 To improve water use efficiency, The Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 15 The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by The Company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.
3. Other Indirect Emissions: These are emissions resulting from company activities that do not relate to energy but instead originate from emission sources owned or controlled by other companies.

It is advisable to assess the potential risks and opportunities of climate change for the Company's current and future operations and take appropriate response measures.

Additionally, the company should compile data on greenhouse gas emissions, water usage, and total waste weight. Policies should be developed for energy conservation, greenhouse gas reduction, reduced water usage, or other waste management strategies. Carbon credit acquisition should be integrated into the Company's carbon reduction strategy to promote efforts aimed at reducing the impact of company operations on climate change.

Chapter IV Preserving Public Welfare

Article 16 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination. In order for The Company to fulfil its responsibility to protect human rights, it shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of The Company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, The Company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labour, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labour, eliminating all forms of forced labour, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labour force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

- | | |
|------------|--|
| Article 17 | The Company shall provide information for their employees so that the employees have knowledge of the labour laws and the rights they enjoy in the countries where the companies have business operations. |
| Article 18 | The Company is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavour to curb dangers to employees' safety and health and to prevent occupational accidents.
The Company is advised to organize training on safety and health for their employees on a regular basis. |
| Article 19 | The Company is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.
The Company shall appropriately reflect the corporate business performance or achievements in the employee remuneration policy, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations. |
| Article 20 | The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on The Company's operations, management and decisions.
The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives. The Company shall, by reasonable means, inform employees of operation changes that might have material impacts. |
| Article 21 | The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation. |
| Article 22 | The Company shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, The Company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers. |
| Article 23 | The Company shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.
The Company shall follow relevant laws, regulations and international guidelines when marketing or labelling their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests. |
| Article 24 | The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.
The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers. |

Article 25	The Company is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative. Prior to engaging in commercial dealings, The Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy. The Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.
Article 26	The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance. The Company is advised to promote community development through equity investment, commercial activities, endowments, volunteering service or other charitable professional services or participate in events held by citizen organizations, charities and local government agencies relating to community development and community education. The Company should sustainably promote cultural development by continuing to inject resources into cultural and artistic activities or the cultural and creative industries through methods such as donations, sponsorships, investments, procurement, strategic partnerships, corporate volunteer technical services, or other supportive initiatives.
Chapter V Article 27	Enhancing Disclosure of Corporate Social Responsibility Information The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency. Relevant information relating to corporate social responsibility which TWSE/GTSM listed companies shall disclose includes: 1.The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the Board of Directors. 2.The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3.Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation. 4.Major stakeholders and their concerns. 5.Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6.Other information relating to corporate social responsibility initiatives.
Article 28	The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1.The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives. 2.Major stakeholders and their concerns. 3.Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development. 4.Future improvements and goals.
Chapter VI Article 29	Supplementary Provisions The Company should stay vigilant of the evolving domestic and international sustainability standards and changes in the corporate environment, utilizing them to review and enhance the sustainability framework established by the company, thereby improving the efficacy of sustainable development initiatives.
Article 30	This Principles shall be implemented after being approved by the Board of Directors, and the same procedure will be practiced when it comes to amendments. This Principles was established on November 3, 2016. 1st amendment was made on May 3, 2023.

Appendices 2

Celxpert Energy Corporation Ethical Corporate Management Best Practice Principle

Article 1 **Objective and applicable scope:**

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

The scope of this principle applies to the company and its subsidiaries, or any foundation to which direct or indirect contributions of funds exceed 50 percent of the total funds received, and other institutions or legal entities substantially controlled by the company ("business group").

Article 2 **Ban on unethical behaviors**

When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, managers, employees or substantial controllers or other stakeholders.

Article 3 **Type of interest**

Benefits in the principle means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 **Legal compliance**

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

Article 5 **Policy**

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 **Prevention programs**

The Company shall in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the companies and its business group are operating.

In the course of developing the prevention programs, the Company is advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

Article 7 **Scope of prevention programs**

When establishing the prevention programs, the Company shall analyze and assess on a regular basis business activities within business scope that pose a higher risk of involvement in unethical conduct, and strengthen the related prevention measures. It is advisable for the Company in establishing the prevention programs, which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.

Article 8 **Commitments and implementation**

The Company and its respective business group shall clearly specify in their rules and external documents and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities.

Article 9 **Business activities based on ethical corporate management**

The Company shall engage in commercial activities in a fair and transparent manner. Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10 **Forbidding bribing and bribe taking**

When conducting business, the Company and its directors, managers, employees, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits including kickbacks, commissions, and facilitation fees in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders. However, those compliant with the laws of the jurisdiction where the operations are conducted shall not be subject to this limitation.

Article 11 **Ban on provision of illegal political donations**

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, and substantial controllers, shall comply with the Political Donations Act and their own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 **Ban on improper charitable donation or sponsorship**

When making or offering donations and sponsorship, the Company and its directors, managers, employees, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 **Ban on improper gifts, improper treatment, or other irregular benefits**

The Company and its directors, managers, employees and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 **Organization and duties**

The Board of directors shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and shall report to the board of directors on a regular basis.

Article 15 **Legal compliance in business activities**

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

Article 16 **Directors and managers avoidance of conflict of interests**

The Company shall adopt policies for preventing conflicts of interest and offer an appropriate channel for directors and managers to voluntarily explain whether their interests would potentially conflict with those of the company.

The Company's directors shall uphold self-discipline. Should any proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, the concerned person shall state their opinions and respond to inquiries. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. The Company's directors and managers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Article 17 **Accounting and internal control**

The Company shall establish effective accounting systems and internal control systems for business activities that may pose a higher risk of involvement in unethical conduct. It shall refrain from maintaining under-the-table or secret

accounts and conduct regular reviews to ensure that the design and implementation of these systems yield results.

The internal audit personnel of the Company shall regularly audit compliance with the system described in the preceding paragraph, document their findings in the form of an audit report, and submit it to the board of directors.

Article 18 Operational procedures and behavioral guidelines

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article 19 Education, training and evaluation

The Company shall periodically organize training and awareness programs for directors, managers, employees, and substantial controllers and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article 20 Whistle blowing and disciplinary

The Company shall provide a legitimate reporting channel and ensure confidentiality regarding the identity of whistleblowers and the content of their reports.

The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Hotline: +886-3-4899054 ext. 1111

Email: integrity@celxpert.com.tw

Article 21 Whistle-blowing case filing and handling procedures

The reported case shall be received and managed by the designated unit responsible for handling. The designated unit shall carefully review the content of the report and assess the severity of the case, categorizing and investigating it accordingly.

Upon receipt of the case or creation of record, regardless of whether it is deemed substantiated, the designated unit shall provide a response to the whistleblower.

After reported case is accepted, the relevant facts would need to be investigated. To request assistance from relevant units and legal counsel, the personal information of the whistleblower may be anonymized if necessary.

If it is confirmed that the accused individual has indeed violated relevant laws or company regulations, immediate cessation of relevant duties shall be requested with appropriate disciplinary action. Damages could be sought through legal proceedings to protect the company's interests. If no concrete evidence is found upon investigation, the reported case shall be closed and kept on record.

Article 22 Classification on whistle-blowing case investigation and adjudication.

Disposition of whistle-blowing case based on the impact, severity of the accused individual and adjudication level.

<u>Violation level</u>	<u>Adjudication level</u>
<u>General staff</u>	<u>General manager and the highest executive of the department</u>
<u>Division level executive</u>	<u>Chairman</u>
<u>Company executive</u>	<u>Board of Directors, Audit Committee</u>
<u>Board of director</u>	<u>Independent Directors, Audit Committee</u>

Article 23 Information disclosure

The Company shall disclose the measures taken for implementing ethical corporate management, the status of implementation on their company websites, annual reports and prospectuses.

Article 24 Review and revision of guidelines

The company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 25 Implementation and revision record

The principle shall be implemented after the Board of directors grants the approval. The same procedures should be followed when the principles have been amended. The Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board

of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

This principle was formulated on December 15, 2010.

The first amendment was on March 8, 2018.

The second amendment was on November 3, 2023.

Appendices 3

Celxpert Energy Corporation Corporate Charter (Articles of Incorporation)

Chapter 1 General Provisions

- Article 1 The Company shall be incorporated under The Company Act of the Republic of China, and its name shall be Celxpert Energy Corporation °
- Article 2 The Company's businesses are as follows:
(1) CC01080 Electronic component manufacturing
(2) CC01090 Battery manufacturing
(3) F213010 Electrical retail
(4) F219010 Electronic Materials Retailing
(5) F113020 Wholesale Electrical Appliances
(6) F119010 Wholesale of electronic materials
(7) F401010 International trade
- Article 2-1 The Company may reinvest in other businesses for business needs, and the total amount of reinvestment may exceed 40% of The Company's paid-in share capital.
- Article 2-2 In response to business needs, The Company may act as a guarantor to the outside world after the resolution of the Director's meeting is passed in compliance with the guidelines for the handling of capital loans and endorsement guarantees of public offering companies.
- Article 3 The Company shall have its head office in Taoyuan City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.
- Article 4 Public announcements of The Company shall be made according to Article 28 of The Company Act.

Chapter 2 Capital Stock

- Article 5 The total capital of The Company is NT\$1.5 billion, which is divided into 150 million shares, with an amount of NT\$10 per share. Among the unissued shares, the authorized Director will issue them in batches.
- NT\$100 million is reserved for the issuance of employee stock option certificates, a total of 10 million shares, with an amount of NT\$10 per share, which can be issued in stages according to the resolution of the Director's meeting. If the employee stock option certificates are as proposed Issuance of employee stock option certificates at a subscription price lower than the market price, it shall be subject to a special resolution of the shareholders' meeting.
- The recipients of The Company's employee stock option certificates may include employees of controlling or subordinate companies who meet certain conditions.
- When The Company issues new shares, the employees who purchase the shares may include employees of the controlling or subordinate companies who meet certain conditions. The targets of The Company's issuance of new shares with restricted employee rights may include controlling or subordinate employees who meet certain conditions.
- Article 5-1 When The Company's shares can be repurchased by The Company in accordance with the law, the object of transfer may include the controlling or subordinate company employees who meet certain conditions, and the authorized director will do so in accordance with the laws and regulations. If the repurchase of The Company's shares are intended to be transferred to employees at a treasury stock price lower than the average price of the actual repurchased shares, a special resolution of the shareholders' meeting shall be obtained before implementation.
- Article 6 The Company's issuance of shares may be done by making stock certificates and delivering stock certificates or book transfers.
Issuers that deliver stocks through book transfer in the preceding paragraph do not print physical stock certificates, and handle them in accordance with the book transfer operation method for centralized securities storage and the relevant

- regulations of centralized securities storage enterprises.
- Article 7 The Company's stock transfer, transfer, inheritance, gift, pledge, loss or destruction, etc., are handled in accordance with The Company Act and relevant laws and regulations.
- Article 8 The handling of The Company's stock affairs shall be handled in accordance with the stock affairs handling guidelines issued by the Financial Supervisory Commission, unless otherwise provided by laws and regulations.
- Article 9 Within 60 days before the regular meeting of shareholders, within 30 days before the special meeting of shareholders, or within 5 days before The Company decides to distribute dividends, bonuses or other benefits, the stock transfer shall be suspended.

Chapter 3 Shareholders' Meeting

- Article 10 There are two types of shareholders' meetings of the Company:
1. The regular meeting of shareholders shall be convened by the Director within six months after the end of each fiscal year.
 2. Special meeting of shareholders, convened when deemed necessary by the Director.
- When The Company's shareholders' meeting is held, it may be held by video conference or other means announced by the central competent authority.
- Article 11 When the shareholders' meeting is held, the Director shall be the chairman. When the Director is on leave or unable to perform his duties for some reasons, he shall designate one Director to act as his representative.
- Article 12 The date, place and reason for the convening of the regular or special meeting of shareholders shall be notified to all shareholders 30 days and 15 days in advance respectively.
- The Company can electronically transmit documents related to shareholders' meetings and other notices.
- Article 13 When a shareholder is unable to attend the shareholders' meeting for any reason, he shall issue a power of attorney issued by The Company, specifying the scope of authorization, and appoint a proxy to attend the shareholders' meeting.
- Article 14 Each shareholder of The Company has one vote per share unless otherwise provided by The Company Act.
- When The Company convenes a meeting of shareholders, it may exercise its voting rights in written or electronic means, and the relevant exercise methods shall be handled in accordance with The Company Act and the regulations of the competent authority.
- Article 15 Unless otherwise provided by The Company Act, the resolutions of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of issued shares, and shall be carried out with the consent of more than half of the voting rights of the present shareholders.
- Article 15-1 Minutes of the resolutions of the shareholders' meeting shall be prepared and signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within 20 days after the meeting.
- The production and distribution of the proceedings mentioned in the preceding paragraph may be done electronically or by public notice.
- The minutes of the meeting shall record the year, month, day, place, name of the chairman, resolution method, essentials of the proceedings and the results of the meeting, and shall be kept permanently during The Company's existence.

Chapter 4 Directors and Supervisors

- Article 16 The Company has nine to eleven Directors (including Independent Directors), with a term of service for three years. The candidate nomination system is adopted by the shareholders' meeting from the list of Director candidates, and re-election is possible.
- Article 16-1 Among the above Director quotas, the number of Independent Directors shall not be less than 3 (inclusive), and a candidate nomination system shall be adopted at the shareholders' meeting. Regarding Independent Director's professional qualifications, shareholding, part-time job restrictions, nomination and selection methods, and other matters to be complied with, it shall be handled in accordance with the relevant regulations of the competent securities authority.
- The Company has set up an audit committee in accordance with the provisions of the Securities and Exchange Act. The Audit Committee should be composed of all Independent Directors and be responsible for performing the functions and powers stipulated in the Company Act, Securities and Exchange Act and other laws and

regulations.

- Article 17 The Board of Director is consisting of the Directors, and its powers are as follows:
1. Make a business plan.
 2. Proposals for profit distribution or loss recovery.
 3. Proposals for capital increase or decrease.
 4. Formulate important rules and company organizational regulations.
 5. Appointment and dismissal of the general manager of The Company.
 6. Establishment and dissolution of branches.
 7. Prepare budget and final accounts.
 8. Other functions and powers conferred by relevant laws or shareholders' meeting.
- Article 18 The directors' meeting shall be attended by more than two-thirds of the directors, and more than half of the directors' present shall elect one person as the chairman of the Board of Directors. Internally, the chairman is the shareholder and the chairman of the Board of Directors, and externally represents the Company.
- Article 19 Unless otherwise stipulated by The Company Act, the director meeting shall be convened by the director. Unless otherwise stipulated by The Company Act, resolutions made by the Director shall be attended by more than half of the Directors, and shall be made with the consent of more than half of the Directors present.
- Article 19-1 Directors shall be notified seven days in advance of the convening of the Directors meeting in writing, email (E-mail) or fax. In case of emergency, the director meeting can be convened at any time, and it can also be done in writing, email (E-mail) or fax.
- Article 20 The chairman is the chairman of the Board of Directors. When the director is on leave or unable to exercise his powers for some reason, the director shall designate a director to act as a representative. The Director shall attend the director meeting in person. If the director is unable to attend, he may entrust another director to represent him. The representative in the preceding paragraph is limited to one person.
- Article 21 The duties and powers of the Audit Committee are as follows:
1. Check The Company's financial status.
 2. Check The Company's account books and documents.
 3. Inquiry about The Company's business situation.
 4. Review budget and final accounts.
 5. Review of profit distribution or loss compensation proposals.
 6. Other functions and powers conferred by relevant laws and regulations.
- Article 22 Authorized director will determine the chairman and directors' remuneration according to the degree of participation in The Company's operations and the value of its contribution, and with reference to the usual level of the industry, regardless of operating profit or loss.
- Article 22-1 The Company can purchase liability insurance for the directors within the term of the directors in respect of the compensation liability that he should bear in accordance with the law in the scope of business.
- Article 23 The Company may have one general manager, whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of The Company Act.
- Article 23-1 During the term of service of the general manager, The Company may purchase liability insurance for him in respect of the compensation liability he should bear according to law in the scope of his business.
- Article 24 The general manager shall preside over The Company's business in accordance with the resolution of the Board of Directors.

Chapter 5 Accounting

- Article 25 The Company's fiscal year is from January 1st to December 31st. At the end of each year, the final accounts shall be processed.
- Article 26 In accordance with Article 228 of The Company Act, at the end of each fiscal year, the Director shall prepare the following forms and submit them to the shareholders' general meeting for approval in accordance with legal procedures.
1. Business report.
 2. Financial statements.
 3. Proposal on profit distribution or loss recovery.
- Article 27 The industry to which The Company belongs is in the growth stage. The policy of dividend distribution depends on factors such as The Company's current and future investment environment, capital needs, domestic and foreign competition

conditions, and capital budget, taking into account shareholders' interests, balanced dividends, and The Company's long-term financial planning, etc. Every year, according to the law, the Board of Directors will draw up a distribution plan and submit it to the shareholders' meeting. The Company may consider factors such as finance, business, and operation. If The Company has surplus for distribution in the current year, the principle of distribution is that the after-tax net profit of the year shall not be less than 30% and cash dividends shall be distributed according to shareholders' dividends. At least fifty percent.

Article 28 If there is a surplus in The Company's annual final accounts, the director's remuneration and employee remuneration will be allocated before tax. After the Director's meeting decides to distribute, the tax will be paid according to law, and 10% will be raised as the statutory surplus reserve; however, the statutory surplus reserve restriction does not apply when the total capital of The Company has been reached.

In addition, the same amount of special surplus reserve shall be appropriated for the balance of the deduction of shareholder's equity recorded in the accounts in the current year. When the balance of deduction of shareholder's equity is reversed later, the reversed part may be transferred to the current year's profit distribution.

If The Company has accumulated losses in previous years, it should first make up the losses before appropriating the director's remuneration and employee remuneration for the current year's profits, and then appropriate the balance according to the proportion of the preceding item. When employee remuneration is distributed in stock or cash, the recipients of the payment may include employees of the controlling or subordinate companies who meet certain conditions, and the conditions and distribution methods are authorized to be determined by the Director.

If there is still surplus, together with the accumulated undistributed surplus of the previous year, the director will draw up a surplus distribution proposal to issue new shares, and it shall be submitted to the shareholders' meeting for a resolution on distribution.

In accordance with Article 240, Paragraph 5 of The Company Act, The Company authorizes the Director to distribute dividends and bonuses with the attendance of more than two-thirds of the Director and the resolutions of more than half of the Directors present or The Company Act Article 244 of The Company Act. All or part of the statutory surplus reserve and capital reserve stipulated in Paragraph 1 of Article 241 shall be distributed in cash and reported to the Board of Directors.

The distribution ratio of Director's remuneration and employee's remuneration is as follows:

1. Director's remuneration is at most 3%.
2. Allocate 3% to 12% as employee remuneration.

Article 29 The distribution of dividends to shareholders shall be limited to the shareholders recorded in the register of shareholders five days before the base date for deciding to distribute dividends and bonuses.

Chapter 6 Supplementary Provisions

Article 30 Deleted

Article 31 The Company's organizational regulations and operating rules are separately stipulated.

Article 32 In regard to all matters not provided for in these Articles of Incorporation, The Company Act shall govern.

Article 33 This Articles of Incorporation was established on November 7, 1997 by the promoters' meeting with the consent of all the promoters.

The first revision was on February 19, 1999.

The second revision was on July 12, 1999.

The third revision was on March 22, 2000.

The fourth revision was made on July 20, 2000.

The fifth revision was on September 1, 2000.

The sixth revision was on December 24, 2001.
The seventh revision was on June 2, 2003.
The eighth revision was made on May 24, 2004.
The ninth revision was on June 30, 2005.
The tenth revision was made on February 22, 2006.
The eleventh revision was made on June 28, 2006.
The twelfth revision was made on May 10, 2007.
The thirteenth revision was made on May 20, 2008.
The fourteenth revision was made on June 3, 2009.
The fifteenth revision was made on June 4, 2010.
The sixteenth revision was on June 15, 2011.
The seventeenth revision was on June 19, 2012.
The eighteenth revision was on June 24, 2015.
The nineteenth revision was on June 27, 2016.
The twentieth revision was on June 16, 2017.
The twenty-first revision was made on June 14, 2018.
The twenty-second revision was on June 12, 2019.
The twenty-third revision was on July 5, 2021.
The twenty-fourth revision was on June 15, 2022.

Appendices 4

Celxpert Energy Corporation Rules of Procedure for Shareholders' Meeting

Article 1

The Company's shareholders' meetings shall be conducted in accordance with these rules.

Article 2

Shareholders (or proxies) should wear their attendance cards when attending the meeting.

Calculated by the number of shares that exercise voting rights in written or electronic means. The Company may appoint lawyer, accountant or relevant personnel attend the shareholders' meeting as nonvoting delegates. Personnel handling the shareholders' meeting shall wear identification badges or armbands.

Article 3

When shareholders (or proxies) representing more than half of the total number of issued shares attend the shareholders' meeting, the chairman announces the opening of the meeting. If there is not enough statutory amount by the time the meeting should begin, the chairman may announce a postponement. If the amount is still insufficient after two extensions and there are shareholders (or proxies) present who represent more than one-third of the total number of issued shares, the shareholders (or proxies) who are present may attend the meeting. People) The consent of more than half of the voting rights is a tentative resolution on ordinary resolution matters. After passing the tentative resolution mentioned in the preceding paragraph, if the number of shares represented by the attending shareholders (or proxies) has reached the statutory number, the chairman may submit the tentative resolution made to the board for voting.

Article 4

The agenda of the shareholders' meeting is set by the Director, and the meeting is held in accordance with the procedure set by the agenda and cannot be changed without a resolution. Before the conclusion of the agenda scheduled in the preceding paragraph (including temporary motions), the chairman shall not declare the meeting closed unless a resolution is passed. Shareholders' inquiries about the reporting matters stipulated in the agenda should be announced by the chairman or the person designated by him or her when all the reporting matters are announced.

Only after the reading or report has been completed can one speak. Each speaker shall not speak more than twice, and each speech shall not exceed three minutes, but after the permission of the chairman, it may be extended for three minutes, and the extension is limited to one time. Shareholders' proposals on the matters listed in the agenda for acknowledgment and discussion, as well as all items proposed in the interim motion procedures.

For motions, the time and frequency of speeches shall apply mutatis mutandis. The time and frequency of shareholder's speeches on various questions and answers about non-proposed proposals in the progress of the provisional motion agenda shall be mutatis mutandis the first item the regulations.

When the shareholders' meeting is held, if the chairman violates the rules of procedure and announces the adjournment of the meeting, he or she can attend with more than half of the voting rights of the shareholders. It is intended to elect a person to serve as the chairman and continue the meeting. After the adjournment of the meeting, shareholders are not allowed to elect another chairman at the original address or find another venue continued the meeting.

Article 5

When shareholders (or proxies) speak, they must first fill in the attendance card number, account name, and speech gist on the speech slip, and the chairman will determine the priority of their speeches. Attending shareholders (or proxies) who only submit speech slips but do not make a speech shall be deemed not to have spoken. If the content of the speech is inconsistent with the speech slip, the confirmed speech shall prevail.

Article 6

Proposals must be made in writing. In addition to the proposals listed in the agenda, shareholders (or proxies) shall be seconded by other shareholders (or proxies) for amendments, substitutions, or other proposals proposed by temporary motions. Changes to the agenda and motions to adjourn the meeting shall also same.

Article 7

Each person may not speak more than twice on the same proposal. When a legal person is entrusted to attend the shareholders' meeting, the legal person may only send one representative to attend. If a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak.

Article 8

After attending shareholders (or proxies) have spoken, the chairman may reply in person or by designating relevant personnel. When discussing a bill, the chairman may announce the end of the discussion within an appropriate period, and may announce the suspension of the discussion when necessary.

Article 9

After declaring the end of the discussion or stopping the discussion, the chairman will put it to the vote. If it is not a motion, it will not be discussed or voted on. Vote monitoring and counting staff for voting on proposals shall be designated by the chairman and approved by shareholders (or proxies) present.

Article 10

The voting on the proposal shall be passed with the consent of more than half of the voting rights of the attending shareholders (or proxies), unless otherwise stipulated by the law. In other words, if there is no objection after consulting the chairman during voting, it is deemed to be passed, and its effect is the same as voting by ballot. the same motion has amendments or substitutions are made; the order of the votes shall be determined by the chairman. If one of the proposals is passed, the other proposals shall deem to be a veto and no further voting is required. The voting results shall be reported on the spot and recorded.

Article 11

When the meeting is in progress, the chairman may declare a break at a discretionary time.

Article 12

During the meeting, if there is an air raid alarm exercise, the meeting will be suspended and everyone will be evacuated, and the meeting will resume one hour after the alarm is lifted.

Article 13

The chairman may direct the pickets (or security personnel) to assist in maintaining order at the venue. When pickets (or security personnel) are present to assist in maintaining order, they should wear identification cards or armbands.

Article 14

Shareholders (or proxies) obey the instructions of the chairman, pickets (or security personnel) on maintaining order, and the chairman or pickets (or security personnel) may exclude those who interfere with the shareholders' meeting.

Article 15

Matters not stipulated in these rules shall be handled in accordance with The Company Act, Securities Exchange Law and other relevant laws and regulations.

Article 16

Matters not stipulated in these rules shall be handled in accordance with The Company Act, Securities Exchange Law and other relevant laws and regulations. These rules will come into force after being passed by the shareholders' meeting, and the same will apply when they are revised.

Appendices 5

Celxpert Energy Corporation Procedures for Director Elections

Article 1

Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Elections of directors adopts the cumulative election method and a candidate nomination system. Candidates should follow the candidate nomination system stipulated by laws and regulations.

Each share has the same voting rights as the number of directors to be elected, and one person may be elected collectively, or the number of persons to be elected may be distributed. When counting votes for an election, the chairman shall designate a number of scrutineers and counting clerks.

Article 2

Directors of our company shall be elected in turn by those who have more rights (calculated according to voting rights) according to the prescribed quota. If there are two or more persons with the same rights and more than the prescribed quota, those who have the same rights will draw lots to decide. The chairman will draw lots for those who are not present.

Article 3

The Director will install a ballot box in the Director election, and the ballot box will be checked by the scrutineers before voting.

Article 4

If the electee is a shareholder, the voter must fill in the name of the electee and the shareholder account number in the "Elected" column of the ballot; if he is not a shareholder, the name of the electee and ID card number. However, when the government or legal person shareholder is the electee, the name of the elector should be filled in the name of the government or legal person in the voter's account column, and the name of the government or legal person and the name of its representative may also be filled in; if there are several representatives, The name of the representative should be added separately.

Article 5

A ballot is invalid if it falls under any of the following circumstances:

- (1) Ballot papers not specified in these regulations.
- (2) Putting blank ballots into the ballot box.
- (3) Those with illegible handwriting.
- (4) If the person to be elected is a shareholder, the account name and account number of the shareholder do not match the list of shareholders; if the person to be elected is not a shareholder, the name and ID card number do not match after verification.
- (5) In addition to filling in the account name (name) of the candidate or the unified number of the shareholder's ID card and the number of voting rights allocated, other words are inserted.
- (6) The account name (name) or shareholder (identity card number) of the candidate is not filled in.
- (7) Two or more candidates are listed on the same ballot paper.

Article 6

The director of The Company shall be elected by a person with legal capacity at the shareholders' meeting, and according to the quota stipulated in the articles of association of The Company, the person with the most voting rights represented by the electoral votes obtained shall be elected as Director in turn. If two or more people have the same number of rights and exceed the prescribed quota, those who have the same number of rights will be determined by drawing lots, and those who are not present will be drawn by the chairman.

If the elected Director is checked and confirmed that his personal information does not match or is not suitable according to relevant laws and regulations, the vacancies shall be filled by the electees with the next majority in the original election.

Article 7

After the voting is completed, the votes will be counted on the spot, and the result will be announced by the chairman immediately

Article 8

The elected Director will be sent a notice of election by the Board of Directors

Article 9

Matters that are not in accordance with these Procedures shall be handled in accordance with The Company Act, The Company's articles of association and relevant laws and regulations.

Article 10

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

This Procedures was enacted on June 2, 2003.

First revision was on June 19, 2012.

Second revision was on June 14, 2018.

Appendices 6

Celxpert Energy Corporation Current Shareholding of Directors

Base Date : April 15, 2024

Designation	Name	Date elected	Number of shares held at the time of election			Number of shares currently held			Remarks
			Category	Number of shares	% at the time of issued	Category	Number of shares	% at the time of issued	
Chairman	Shih-Ming Huang	July 5, 2021	Common Stock	3,222,194	4.01%	Common Stock	3,186,194	3.61%	
Director	Hao Bai Limited Representative: Jung-Chou Lee	July 5, 2021	Common Stock	500,000	0.62%	Common Stock	585,857	0.66%	
Director	Yung-Tsai Chen	July 5, 2021	Common Stock	1,334,484	1.66%	Common Stock	1,334,484	1.51%	
Director	Chien-Ting Chen	July 5, 2021	Common Stock	747,000	0.93%	Common Stock	802,811	0.91%	
Director	KAISENG INVESTMENT CO. Representative: Ching-Jung Huang	July 5, 2021	Common Stock	1,480,000	1.84%	Common Stock	1,590,577	1.80%	
Director	KangHuei Investment Co., Ltd Representative: Ling-Ju Huang	July 5, 2021	Common Stock	2,363,000	2.94%	Common Stock	2,539,549	2.88%	
Independent Director	Chih-Wei Tsai	July 5, 2021	Common Stock	0	0.00%	Common Stock	0	0.00%	
Independent Director	Wei-Hung Lin	July 5, 2021	Common Stock	0	0.00%	Common Stock	0	0.00%	
Independent Director	Jan-Yan Lin	July 5, 2021	Common Stock	0	0.00%	Common Stock	0	0.00%	
Independent Director	Ming-Hsiu Cheng	June 15, 2023	Common Stock	0	0.00%	Common Stock	0	0.00%	
Total			Common Stock	9,646,678		Common Stock	10,039,472		

Total shares issued as at July 5, 2021: 80,305,914 shares

Total shares issued as at June 15, 2023: 80,305,914 shares

Total shares issued as at April 15, 2024: 88,305,914 shares

Remarks : All directors of The Company shall legally hold: 7,064,473 shares; Share held as of April 15, 2024 : 10,039,472 shares

The Company has an audit committee, so there is no statutory requirement for the number of shares held by the supervisor

◎Independent Director's shareholding is not included in Director's shareholding