

Stock code : 2012



Chun Yu Works & Co., Ltd.
CHUN YU WORKS & CO.,LTD

Year 2022 shareholders' regular meeting

Meeting Agenda Handbook



Venue for the Meeting : No. 100, Dabao Street, Kushan District, Kaohsiung City

Time scheduled for the meeting : June 22, 2022, at 9:00 a.m.

Means : Physical Shareholders' Meeting



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Chun Yu Works & Co., Ltd.

Procedures for Year 2022 shareholders' regular meeting

- I. Call the meeting to order
- II. Opening speech by the chairperson
- III. Issues brought to report
- IV. Issues brought for acknowledgment
- V. Issues brought for discussions
- VI. Election matters
- VII. Other Proposals
- VIII. Extempore motions
- IX. Adjournment of the meeting



Chun Yu Works & Co., Ltd.

Agenda for Year 2022 shareholders' regular meeting

Time scheduled for the meeting: June 22, 2022, at 9:00 a.m.

Venue for the Meeting: No. 100 Dabao Street, Kushan District, Kaohsiung City

Procedures for the meeting:

I. Call the meeting to order

II. Opening speech by the chairperson

III. Reported matters

(I) The 2021 Business Report;

(II) Audit Committee's Review Report for the year of 2021 ;

(III) The directors employees bonus of 2021;

(IV) Report on Endorsements and Guarantees in 2021;

(V) Report on 2021 cash dividend earnings distribution ;

(VI) Report of the 1st secured corporate bonds in 2021 issuance status;

(VII) Report of the 1st, the 2nd and the 3rd domestic secured convertible bond
issuance status.

IV. Acknowledged matters

(I) The 2021 business report and financial statements;

(II) Earnings distribution of 2021.

V. Matters for discussion

(I) The issuance of new shares for capitalization for earnings;

(II) Amendments to the Company's "Articles of Association";

(III) Amendments to the Company's "Rules of Procedures of Shareholders'
Meeting";

(IV) Amendments to the Company's "Regulations Governing the Acquisition and
Disposal of Assets".



IV. Election matters

Full re-election of directors

IV. Other Proposals

It is proposed to lift the non-compete restrictions on new directors and their representatives

VI. Extempore motions

VII. Adjournment of the meeting



Reported matters

I. The Company's business report for the Year 2021:

In 2021, economic activities will restart as the epidemic is under stable control, and the deferred consumer demand will return and customers will restock their inventories. In addition, the quantitative easing policies implemented in Europe and the U.S. during the epidemic caused a large amount of capital to be injected into the market and a surge in various investment activities, which led to a huge increase in overall steel demand and pushed up global steel prices. The rapid turn of the economy also caused a global shortage of ships, containers and port congestion, and chaos in maritime transportation. Thanks to Taiwan Steel Group's ability to provide a stable and sufficient supply of materials and overall transportation and shipping services, shipments were maintained at a certain level, resulting in record revenue and profitability for CHUN YU WORKS & CO., LTD.

Looking ahead to 2022, the major steel countries are actively promoting carbon neutrality, with China taking the lead in steel production reduction and Korea and Japan also closing blast furnace plants to electric furnace plants, the cost of steel production is bound to rise. In addition to the U.S. \$1.2 trillion infrastructure support demand, China's 1.46 trillion RMB infrastructure funds, is expected to be in place in 2022, with the huge demand for infrastructure injection, steel demand growth will gradually appear. In addition, the European Union has imposed anti-dumping duties on fasteners from China, which is favorable to the sales of fasteners to Europe. The management team will seize the opportunity to formulate a strategic direction in response to the situation and lead all employees to work diligently in order to achieve further success for the Company.

We are hereby pleased to report about the Company's business operations in the Year 2021 as enumerated below:

1. Performance in production and marketing

In the Year 2021, our Company's consolidated operating revenue came to NT\$11,810,242,000, a decrease by 46.63% from NT\$8,054,615,000 in 2020. In terms of consolidated gross profit, in the Year 2021 It came to



NT\$2,065,823,000, down by 79.75% as compared with NT\$1,149,281,000 in 2020. Out consolidated net profit after tax came to NT\$874,177,000 in 2021, a decrease by 232.34% when compared with NT\$263,036,000 in 2020.

2. Implementation of budget

Here at the Company, we did not work out a financial forecast for the Year 2021.

3. Analyses into the capability in financial revenues and expenditures

Expressed in Thousand NT Dollars

Items	Year 2021	Year 2020	Annual increase/decrease rate (%)
Operating revenues	11,810,242	8,054,615	46.63
Net profit before tax	1,119,072	345,965	233.46
Net profit after tax	874,177	263,036	232.34
The net profit is attributable to:			
The Proprietor of the parent company	744,730	197,147	277.75
Non-controlled equity	129,447	65,889	96.46



4. Analysis of profitability

Items	Year 2021	Year 2020
Asset return rate (%)	8.13	3.23
Return rate on shareholder's equity (%)	19.87	6.21
Percentage of net profit before tax to the paid-in capital (%)	38.89	12.02
Net profit rate (%)	7.40	3.27
Earnings per share (EPS) (NT\$)	2.81	0.75

5. Performance in research & development

In fiscal 2021, we spent \$84,250 thousand on research and development, mainly to continue to refine technology, develop new products, and research and develop new processes and materials to reduce production costs for each product. In addition, we have improved our remanufacturing equipment to increase the proportion of remanufactured acid used and reduce carbon emissions, which are important evaluation items for new equipment purchase or replacement, in order to implement ESG in practice.

Looking forward toward the future, we shall, continue as always, to cultivate the European and American markets amidst Chun Yu Works & Co., Ltd. in Taiwan and take advantage of the Indonesian Lion as the springboard into The Association of Southeast Asian Nations, (ASEAN) region. Meanwhile, we shall take two strongholds at Dongguan and Shanghai to integrate the entire markets of Mainland China and further up to the entire world. We continue to integrate our internal resources and adopt international division of labor to improve our management efficiency. At the same time, in line with the steel development strategy of Taiwan Steel Group, we will adjust the positioning of the Company to maximize the combined effect of production and sales. To realize the vision of "World-class construction fastener manufacturer", to re-polish CHUN YU's brand, and to become a long-lasting enterprise.



II. Report by the Audit Committee about its review over the annual final account settlement books for the Year 2021:

-Audit Committee Review Report

The Board of Directors have prepared the Business Report, Financial Statements (including consolidated and separate financial statements), and the proposal for the distribution of earnings for the year 2021. The said financial statements have been audited by PwC Taiwan with the issuance of Auditors' Report. We have reviewed the said Business Report, Financial Statements, and Proposal for the Distribution of Earnings, which are appropriately prepared. We hereby present this report in accordance with the Securities and Exchange Act for your attention.

Chun Yu Works & Co., Ltd.

Convener of Audit Committee: Ya-Rong Lee

March 10 2022



III. Report about the distribution of remuneration distributed to directors and employees in the Year 2021.

- Descriptions: 1. The Company duly distributed remuneration to directors and employees in the Year 2021 exactly in accordance with Article 39 of the Articles of Incorporation.
2. In the Year 2021, the remuneration to employees amounted to NT\$16,981,288, accounting for 2% of the profits earned in that year. The remuneration to directors amounted to NT\$16,981,288 accounting for 2% of the profits earned in that year. The remunerations were granted in cash in all cases.
3. The aforementioned amounts of remunerations to directors and employees show no discrepancy at all from the amounts estimated for that year.

IV. Report on the endorsement/guarantee granted by the Company externally as of December 31, 2021.

Descriptions: All endorsements/guarantees had been granted by the Company purely to meet the business needs and to facilitate finance. The amounts granted for bank loans aiming at the overseas investments were in the amounts as enumerated below:

Unit: NT\$'000

Targets of endorsements/guarantees	Credit lines of endorsements/guarantees	Equivalent amount in New Taiwan Dollars	Amounts substantially disbursed:
Chun Yu Works (U.S.A), Inc.	USD 7,000,000	193,760	0
Chun Yu (Dongguan) Co., Ltd.	USD 35,000,000	968,800	497,371
Shanghai Youju Company	CNY 10,000,000	43,458	0
Total	USD 42,000,000 CNY 10,000,000	1,206,018	497,371



V. Report of earnings distributed in cash in the Year 2021:

- Descriptions:
1. The Table for Distribution of Earnings for the Year 2020 had been duly passed by the Board of Directors with its resolution. Please refer to the present Handbook on Appendix II for details.
 2. The cash dividends NT\$143,887,000 for the first half of 2021. (With NT\$0.5 distributed per share). The cash dividend was already duly passed in the Board of Directors in the meeting convened on November 3, 2021 and distributed on December 23, 2021.
 3. The cash dividends NT\$287,774,000 for the second half of 2021. (With NT\$1 distributed per share). The cash dividend was already duly passed in the Board of Directors in the meeting convened on March 10, 2022 and distributed on April 25, 2022.

VI. Report of the 1st secured corporate bonds in 2021 issuance status

Details as follows:

Unit: NT\$

Tranche/Category	The 1st secured corporate bonds in 2021
Date of Approval	October 5, 2021
Date of Issuance	October 15, 2021
Face Value	1,000,000
Issue Price	Issued at full face value
Total Issuance Amount	3,000,000,000
Term	2021/10/15~2028/10/15
Coupon Rate (Fixed Rate)	0.65%
Interest Payment	From the date of the issuance, a simple interest is calculated and distributed once a year per coupon rate
Principal Payment	100% principal repayment upon maturity
Trustee	Bank SinoPac
Debt Service Agency	First Commercial Bank, Gang Shan Branch
Exercise of the Issuance	Exercised in Q4 2021



VII. Report of the 1st, the 2nd and the 3rd domestic secured convertible bond issuance status. Details as follows: Unit: NT\$

Tranche/Category	The 1st, the domestic secured convertible bond	The 2nd domestic secured convertible bond	The 3rd domestic secured convertible bond
Date of Approval	November 9, 2021	November 9, 2021	November 9, 2021
Date of Issuance	March 25, 2022	March 25, 2022	March 25, 2022
Face Value	100,000	100,000	100,000
Issue Price	111.31% of the face value	111.51% of the face value	111.25% of the face value
Total Issuance Amount	700,000,000	500,000,000	400,000,000
Term	2022/3/25~2025/3/25	2022/3/25~2025/3/25	2022/3/25~2025/3/25
Coupon Rate (Fixed Rate)	0%	0%	0%
Interest Payment	-	-	-
Principal Payment	In accordance with Article 6 of the Regulations Governing the Issuance and Conversion of the Company's 1st Domestic Secured Convertible Bonds	In accordance with Article 6 of the Regulations Governing the Issuance and Conversion of the Company's 2nd Domestic Secured Convertible Bonds	In accordance with Article 6 of the Regulations Governing the Issuance and Conversion of the Company's 3rd Domestic Secured Convertible Bonds
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac
Debt Service Agency	Yuanta Securities, Registrar & Transfer Department	Yuanta Securities, Registrar & Transfer Department	Yuanta Securities, Registrar & Transfer Department
Exercise of the Issuance	Expected to be fully executed in the second quarter of 2022	Expected to be fully executed in the second quarter of 2022	Expected to be fully executed in the second quarter of 2022



Acknowledged matters

Motion No. I (Proposed by the Board of Directors)

Subject: The 2021 business report and financial statements

Descriptions: 1. The Company's financial statement of the Year 2021 had been duly audited by Certified Public Accountants Lin Tzu-Yu and Liu Tzu-Meng of PricewaterhouseCoopers Taiwan. For the Certified Public Accountants' audit report and the said financial statement, please refer to the present Handbook on Appendix III. The aforementioned documents along with the Company's business reports were duly passed by the Board of Directors through its resolution on March 10, 2022 for which the Audit Committee further issued the Audit Report.

2. Your acknowledgment shall be very much appreciated.

Decision resolved:

Motion No. II (Proposed by the Board of Directors)

Subject: Earnings distribution of 2021.

Descriptions: 1. The Table for Distribution of Earnings for the Year 2021 had been duly resolved by the Board of Directors.

Please refer to the present Handbook on Appendix II.

2. Your acknowledgment shall be very much appreciated.

Decision resolved:



Matters for discussion

Motion No. I (Proposed by the Board of Directors)

Subject: The issuance of new shares for capitalization for earnings

Descriptions: 1. The Board of Directors has approved the distribution schedule for fiscal 2021, please refer to Appendix II of this handbook.

2. In consideration of the Company's future business development needs, the Company intends to transfer stock dividends of NT\$143,887,000 (NT\$0.5 per share) from the available-for-distribution earnings for fiscal 2021, with a par value of NT\$10 per share, to issue 14,388,700 new shares.

3. The additional capital will be distributed in proportion to the shares held by the shareholders as of the record date of the distribution. 50 shares will be allotted without compensation for each thousand shares held, and the shares with less than one share will be issued in cash, and the shares may be open for subscription by specific person specified by the chairman of the board of directors at par value.

4. The rights and obligations of the new shares issued under the capital increase are the same as the original issued shares. The board of directors is authorized to set another base date for the capital increase and allotment of shares after the approval of the shareholders' meeting and submission to the competent authorities.

5. If the number of outstanding shares is subsequently changed due to conversion of convertible bonds into common shares, repurchase of the Company's shares or transfer of treasury shares, cancellation, cash capital increase, exercise of stock options by employees, issuance of new shares with restricted employee rights, or other factors due to laws and regulations, it is proposed that the shareholders' meeting authorize the chairman to change the allotment rate for shareholders.

6. If the change is required by law or approved by the competent authority, the shareholders' meeting is intended to authorize the board of directors to handle the change.

7. Please duly discuss into a decision as appropriate.

Decision resolved:



Motion No. II (Proposed by the Board of Directors)

Subject: Amendment to the Company's "Articles of Incorporation" partial amendment

- Descriptions:
1. To meet the needs of the Company's future operational development, it is proposed that the "Articles of Incorporation" be partially amended.
 2. For the Table of Contents Before and After Amendment in Comparison of "Articles of Incorporation", please refer to the present Handbook on Appendix V.
 3. Please duly discuss into a decision as appropriate.

Decision resolved:

Motion No. III (Proposed by the Board of Directors)

Subject: Amendment to the Company's "Shareholders' Meeting Procedure Rules" partial amendment

- Descriptions:
1. In coordination with the requirements by law and meet the needs of the Company's future operational development, it is proposed that the "Shareholders' Meeting Procedure Rules" be partially amended.
 2. For the Table of Contents Before and After Amendment in Comparison of "Shareholders' Meeting Procedure Rules", please refer to the present Handbook on Appendix VI.
 3. Please duly discuss into a decision as appropriate.

Decision resolved:

Motion No. IV (Proposed by the Board of Directors)

Subject: Amendment to the Company's "Procedures for Acquisition or Disposal of Assets" partial amendment

- Descriptions:
1. In coordination with the requirements by law and meet the needs of the Company's future operational development, it is proposed that the "Procedures for Acquisition or Disposal of Assets" be partially amended.
 2. For the Table of Contents Before and After Amendment in Comparison of "Procedures for Acquisition or Disposal of Assets",



please refer to the present Handbook on Pp. 41~48, Appendix VI.

3. Please duly discuss into a decision as appropriate.

Decision resolved:

Election matters

(Proposed by the Board of Directors)

Subject: Full re-election of directors

Descriptions: 1. The term of office of the directors of the Company will expire on June 4, 2022, and will be fully re-elected at the annual general meeting of shareholders this year.

2. In accordance with the Company's Articles of Incorporation and the Company Act, 11 directors (including 3 independent directors) shall be elected and the new directors shall take office immediately after their election for a term of three years from June 22, 2022 to June 21, 2025, and shall be eligible for re-election.

3. In accordance with the Company's Articles of Incorporation, the Company's directors (including independent directors) shall be nominated by the shareholders from the list of candidates for election as directors. (For more information, please refer to Schedule 1 on page xx)

election results:

Other Proposals

(Proposed by the Board of Directors)

Subject: It is proposed to lift the non-compete restrictions on new directors and their representatives

Descriptions: 1. In accordance with the provisions of Article 209 of the Company Act.



2.If, for practical reasons, it is necessary for a director or his/her representative to act for himself/herself or for another person who is within the scope of the Company's business, the Company may propose to release the director or his/her representative from the prohibition of competitive business, provided that the Company's interests are not prejudiced. Related information, such as the scope and description of such ompetitive business, shall be provided in the meeting for discussion.

Decision resolved:

Extemporary motions

Adjournment of the meeting

**Chun Yu Works & Co., Ltd.****List of Candidates for Directors and Independent Directors**

Item	Title	Name	Education	Experience	Current position	Shares held
1	Director	Taiwan Steel Group Holding Company. Representative Lin, Huei-Jeng	PhD, Graduate Institute of Naval Engineering, National Taiwan University	Chum Yu Works Co., Ltd. Chairman National Taiwan University. Professor National Penghu University of Science and Technology. headmaster	Chum Yu Works Co., Ltd. Chairman Chun Zu Machinery Industry Co., Ltd. Director S-TECH CORP. Director. CSBC Corporation Taiwan. Independent Director	447,000
2	Director	Taiwan Steel Group Holding Company. Representative Wang, Chiung-Fen	Department of Law, NCHU	Gloria Material Technology Corp. Chairman Taiwan Steel Group Holding Company. Chairman Chin Chi Fu Asset Management Co., Ltd. Chairman. Pulo law firm Presiding Attorney	Chum Yu Works Co., Ltd. Director Chun Zu Machinery Industry Co., Ltd. Director Taiwan Steel Group Holding Company. Chairman Chin Chi Fu Asset Management Co., Ltd. Chairman. Gloria Material Technology Corp. Chairman S-Tech Corp. Chairman Taiwan Styrene Monomer Corporation. Director. D-LINK Corporation. Director Cameo communications, Inc. Director.	447,000
3	Director	Taiwan Steel Group Holding Company. Representative Yan, Ching-Li	Feng Chia niversity. Department of Industrial Engineering	E-TOP METAL CO., LTD. Chairman	E-Top Metal Co., Ltd. Chairman E-Sheng Steel Co., Ltd. Chairman Tai Yu Investment Co., Ltd. Chairman TMP Steel Corporation Quintain Steel Co., Ltd Director	447,000
4	Director	Bai Jia Yuan Investment Co., Ltd. Representative Chen, Chi-Tai	National Tainan Commercial Vocational Senior High School Department of Commerce	Chun Zu Machinery Industry Co., Ltd. Chairman Bai Jia Yuan Investment Co., Ltd Chairman.	Chum Yu Works Co., Ltd. Vice Chairman Chun Zu Machinery Industry Co., Ltd. Chairman Bai Jia Yuan Investment Co., Ltd Chairman. Ofco Industrial Corporation Director. Quintain Steel Co., Ltd Director Taiwan	80,209,000



Item	Title	Name	Education	Experience	Current position	Shares held
					Styrene Monomer Corporation. Director.	
5	Director	Bai Jia Yuan Investment Co., Ltd. Representative Wong, Chung-Chun	Mater Degree on Department of Accounting at National Taiwan University	Chum Yu Works Co., Ltd. Executive Vice President Ofco Industrial Corporation Director. Independent Director Eighth Legislative Member of the Republic of China	Chum Yu Works Co., Ltd. Director	80,209,000
6	Director	Bai Jia Yuan Investment Co., Ltd. Representative Wu, Yi-Ching	Alliant International University (San Diego, USA) Doctorate of Business Management (DBA) Doctor of Business Administration	Taiwan Styrene Monomer Corporation Chairman Yang Ming Shan Tien Lai Resort & Spa. Director Yuan-Shin Materials Technology Corp. Ltd. Director Mahasarakham University. International Program Lecturer	Chum Yu Works Co., Ltd. Independent Director Chairperson, Ho-He International Development Co., Ltd Yangmingshan Tien Lai Resort & Spa. Director Gloria MATERIAL TECHNOLOGY CORP. Independent Director	80,209,000
7	Director	Bai Jia Yuan Investment Co., Ltd. Representative Wu, Mei-Hui	Xiamen University PhD in Banking Ming Chuan University Institute of Marketing Communication Master	Invest MENT On Line Editor-in-chief Business today Deputy Editor-in-chief Business Weekly Deputy Editor-in-Chief CrederMedia General Manager Wealth Magazine Editor-in-chief & New Media Division Director Solar Applied Materials Technology Corp. Independent Director	Ming Chuan University, Dept. of Journalism Adjunct Assistant Professor	80,209,000
8	Director	Lee, Shih-Ho	Department of Business Administration from Feng Chia University	Chum Yu Works Co., Ltd. Director via Deputy General Manager	Chum Yu Works Co., Ltd. Director Chun Zu Machinery Industry Co., Ltd. Director Zenith Good Enterprise Co., Ltd. Supervisor	3,767,998
9	Independent Director	Chien, Chin-Chen	Rutgers The State University PhD in Accounting	National Cheng Kung University Dept. of Accounting Professor Chinesegamer International Corp. Supervisor	Gloria Material Technology Corp. Independent Director Ton Yi Industrial Corp. Independent Director Taiwan Styrene Monomer Corporation. Director. Independent Director Soft-World Internaional Corporation. Director	0
10	Independent Director	Fang, Chen-Ming	National Sun Yat-sen University Master of Advanced Management, School of	Maohong Power Company Limited. Chief Legal Officer Motech Energy System Company Limited.	Maohong Power Company Limited. Chief Legal Officer	0



Item	Title	Name	Education	Experience	Current position	Shares held
			ManagementNational Chung Hsing University Dept. of Law	Legal Manager Da Sheng International Financial Consultant Co., Ltd. Vice President Motech Industries Inc. Legal Assistant Manager		
11	Independent Director	Lee, Chin-Chang	National Taiwan Normal University. Doctor of Law	National Quemoy University. headmaster	Chum Yu Works Co., Ltd. Independent Director Director, National Tsing Hua University	0
12	Independent Director	Wang, Ching-hsiang	Soochow University. Master of Accounting Institute	Taichung CPA Accountant	Taichung CPA General Director	99,000



Appendix II

Chun Yu Works & Co., Ltd.

Table of distribution of earnings in Year 2021

Expressed in New
Taiwan Dollars

Unappropriated retained earnings at beginning of the term	99,045,041
Less: The actuarial gains and losses of the determined welfare benefit plan for the current period are included in the retained surplus (A)	(9,662,129)
Post-adjustment unappropriated retained earnings	89,382,912
Add: Net profit after tax of Year 2020 (B)	744,730,039
Less: Legal reserve duly amortized ((A+B)*10%)	(73,506,791)
Earnings distributable this term	760,606,160
Items of distribution	
Bonus to shareholders – Cash dividends (0.5/share) (The first half of 2021)	(143,887,000)
Bonus to shareholders – Cash dividends (0.5/share) (The second half of 2021)	(287,774,000)
Bonus to shareholders – Stock dividends	(143,887,000)
Sub-total	(575,548,000)
Unappropriated retained earnings at end of the term	185,058,160

Chairman: Lin Hui-Cheng General Manager: Tsai Tung-Sen Accounting Head: Fang Ping-Tien



Appendix III

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chun Yu Works & Co., Ltd.

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Cut-off of revenue from export sales

Description



Refer to Note 4(28) for accounting policy on revenue recognition and Note 6(21) for details of operating revenue.

The Group derives its revenues from the sales of screws, nuts, wire rods and fastener forming machines, etc., and revenues from export sales account for a high percentage of total revenue. Export sales are recognized as revenues when control of the goods has been transferred according to the terms specified in the contracts. The revenue recognition requires that the products are delivered to the customer, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance over the products, but delivery time may vary for each sales transaction. The determination as to when products are transferred to customers involves manual process and judgement. Given that there is a risk of material misstatement from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are usually material to the financial statements, we considered the cut-off of revenue from export sales a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding and assessed the accounting policies of revenue recognition on export sales.
2. Obtained an understanding and assessed the internal controls over revenue recognition on export sales, and tested the effectiveness of internal controls including the delivery process and the timing of revenue recognition.
3. Performed cut-off tests on export sales transactions that took place during a certain period before and after the balance sheet date to ascertain whether sales revenues were recognized when control of goods has been transferred to the customer and revenues were recorded in the proper period.

Valuation of inventories

Description

Refer to Note 4(10) for accounting policy on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2021, the inventories and allowance for inventory valuation losses amounted NT\$4,621,155 thousand and NT\$146,848 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of screws, nuts, wire rods and fastener forming machines, etc. Due to the market demand, technology innovation and other factors, there is a risk of inventories losing value or becoming obsolete. The inventories are measured at the lower of cost and net realisable value. For inventory over a certain age and individually identified as obsolete or slow-moving, the net realisable values are determined by management based on periodic inventory clearance information. Given that the net realisable value used when assessing the inventories individually identified as obsolete or slow-moving involves subjective judgement, we considered the valuation of inventories a key audit matter.

How our audit addressed the matter



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

1. Assessed the reasonableness of policies and procedures in relation to the provision of allowance for inventory valuation losses based on the accounting principles and our understanding of the nature of the business and the industry.
2. Obtained an understanding of the warehouse management processes, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to evaluate the effectiveness of procedures used by the management to identify and control obsolete inventories.
3. Verified the appropriateness of net realisable value used in inventory valuation and the logic used in the inventory aging report to ascertain the adequacy of allowance for inventory valuation losses.

Other matter – Reference to the reports of other auditors

We did not audit the financial statements of the consolidated subsidiaries, Chun Yu Works (USA) Inc. and Pt Moon Lion Industries Indonesia, which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Total assets of these subsidiaries amounted to NT\$1,568,012 thousand and NT\$1,472,430 thousand, constituting 12% and 14% of the consolidated total assets as at December 31, 2021 and 2020, respectively, and the operating revenue amounted to NT\$1,957,518 thousand and NT\$1,678,066 thousand, constituting 17% and 21% of the consolidated total operating revenue for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with an other matter paragraph on the parent company only financial statements of Chun Yu Works & Co., Ltd. as at and for the years ended December 31, 2021 and 2020.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Tzu-Shu

Independent Accountants

Liu, Tzu-Meng

PricewaterhouseCoopers, Taiwan

Republic of China

March 10, 2022

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

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



CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

		(Expressed in thousands of New Taiwan dollars)		December 31, 2021		December 31, 2020	
Assets		Notes	AMOUNT	%	AMOUNT	%	
Current assets							
1100	Cash and cash equivalents	6(1)	\$ 1,026,237	8	\$ 631,074	6	
1110	Financial assets at fair value through profit or loss - current	6(2)	51,504	1	101,460	1	
1150	Notes receivable, net	6(3) and 7	421,653	3	502,214	5	
1170	Accounts receivable, net	6(3) and 7	2,289,839	18	1,661,339	15	
1200	Other receivables		30,451	-	13,784	-	
1220	Current income tax assets	6(28)	10,884	-	1,419	-	
130X	Inventories	5, 6(4) and 8	4,474,307	35	3,317,446	31	
1410	Prepayments		173,463	2	125,084	1	
1476	Other current financial assets	6(1) and 8	1,426	-	1,970	-	
11XX	Total current assets		8,479,764	67	6,355,790	59	
Non-current assets							
1517	Financial assets at fair value through other comprehensive income - non-current	6(5) and 8	628,845	5	644,583	6	
1535	Non-current financial assets at amortised cost	6(1)	86,915	1	-	-	
1600	Property, plant and equipment	6(6)(10) and 8	3,090,561	24	3,146,059	29	
1755	Right-of-use assets	6(7) and 8	123,235	1	189,033	2	
1780	Intangible assets	6(8)	7,855	-	10,646	-	
1840	Deferred income tax assets	6(28)	194,220	2	290,844	3	
1915	Prepayments for business facilities	6(6)(8)	30,815	-	13,404	-	
1920	Guarantee deposits paid		18,583	-	24,470	-	
1930	Long-term notes and accounts receivable	6(3)(9)	15,222	-	51,060	1	
1980	Other non-current financial assets	6(1) and 8	7,361	-	15,900	-	
1990	Other non-current assets		8,129	-	3,684	-	
15XX	Total non-current assets		4,211,741	33	4,389,683	41	
1XXX	Total assets		\$ 12,691,505	100	\$ 10,745,473	100	

(Continued)



CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(11) and 8	\$ 1,642,371	13	\$ 1,995,653	19
2110	Short-term notes and bills payable	6(12)	-	-	39,957	-
2130	Current contract liabilities	6(21) and 7	407,343	3	243,739	2
2150	Notes payable	7	3,287	-	4,241	-
2170	Accounts payable	7	1,030,237	8	687,916	6
2200	Other payables	7	579,731	5	409,649	4
2230	Current income tax liabilities	6(28)	75,954	1	46,531	1
2250	Provisions for liabilities - current	6(14)	8,275	-	6,722	-
2280	Current lease liabilities	6(7)	19,252	-	27,294	-
2320	Long-term liabilities, current portion	6(15) and 8	22,997	-	261,492	3
21XX	Total current liabilities		3,789,447	30	3,723,194	35
Non-current liabilities						
2530	Bonds payable	6(13) and 8	3,000,000	24	-	-
2540	Long-term borrowings	6(15) and 8	601,829	5	2,199,123	20
2570	Deferred income tax liabilities	6(28)	445,439	3	439,426	4
2580	Non-current lease liabilities	6(7)	16,197	-	71,056	1
2640	Net defined benefit liabilities - non-current	6(16)	170,225	1	180,653	2
2645	Guarantee deposits received		457	-	564	-
25XX	Total non-current liabilities		4,234,147	33	2,890,822	27
2XXX	Total liabilities		8,023,594	63	6,614,016	62
Equity attributable to owners of parent						
Share capital						
3110	Common stock	6(17)	2,877,740	23	2,877,740	27
3200	Capital surplus	6(17)(18)	222,103	2	157,969	1
Retained earnings						
3310	Legal reserve	6(19)	233,702	2	179,531	2
3320	Special reserve		430,610	3	430,610	4
3350	Unappropriated retained earnings		654,473	5	290,127	3
3400	Other equity interest	6(5)(20)	(207,956) (2)	(2)	(162,647) (2)	(2)
3500	Treasury stocks	6(17) and 8	(267,195) (2)	(2)	(288,910) (3)	(3)
31XX	Equity attributable to owners of the parent		3,943,477	31	3,484,420	32
36XX	Non-controlling interest	4(3)	724,434	6	647,037	6
3XXX	Total equity		4,667,911	37	4,131,457	38
Significant Contingent Liabilities and Unrecognized Contract Commitments						
3X2X	Total liabilities and equity		\$ 12,691,505	100	\$ 10,745,473	100

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



CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(21) and 7	\$ 11,810,242	100	\$ 8,054,615	100
5000 Operating costs	6(4)(8)(16)(26)(27) and 7	(9,744,419)	(83)	(6,905,334)	(86)
5900 Net operating margin		2,065,823	17	1,149,281	14
Operating expenses	6(8)(16)(26)(27), 7 and 12				
6100 Selling expenses		(392,798)	(3)	(284,061)	(3)
6200 General and administrative expenses		(490,374)	(4)	(446,254)	(6)
6300 Research and development expenses		(84,250)	(1)	(62,304)	(1)
6450 Expected credit gains (losses)		2,932	-	(6,201)	-
6000 Total operating expenses		(964,490)	(8)	(798,820)	(10)
6900 Operating profit		1,101,333	9	350,461	4
Non-operating income and expenses					
7100 Interest income	6(3)(9)(22)	15,022	-	11,214	-
7010 Other income	6(2)(5)(23) and 7	62,808	1	114,507	1
7020 Other gains and losses	6(2)(7)(24) and 12	38,478	-	(21,166)	-
7050 Finance costs	6(7)(25)	(98,569)	(1)	(109,051)	(1)
7000 Total non-operating income and expenses		17,739	-	(4,496)	-
7900 Profit before income tax		1,119,072	9	345,965	4
7950 Income tax expense	6(28)	(244,895)	(2)	(82,929)	(1)
8200 Profit for the year		\$ 874,177	7	\$ 263,036	3

(Continued)



CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

		Year ended December 31			
		2021		2020	
Items	Notes	AMOUNT	%	AMOUNT	%
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial losses on defined benefit plans	6(16)	(\$ 13,309)	- (\$ 16,646)	-
8316	Unrealised loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(5)(20)	(15,597)	- (54,901)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	2,856	- (83)	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		(36,274)	- (17,842)	-
8399	Aggregated income tax relating to components of other comprehensive income (loss)	6(28)	594	- (1,542)	-
8300	Total other comprehensive loss for the year		(\$ 61,730)	- (\$ 91,014)	(1)
8500	Total comprehensive income for the year		\$ 812,447	7 \$ 172,022	2
Profit attributable to:					
8610	Owners of the parent		\$ 744,730	6 \$ 197,147	2
8620	Non-controlling interest		129,447	1 65,889	1
			\$ 874,177	7 \$ 263,036	3
Comprehensive income attributable to:					
8710	Owners of the parent		\$ 689,759	6 \$ 117,091	1
8720	Non-controlling interest		122,688	1 54,931	1
			\$ 812,447	7 \$ 172,022	2
Earnings per share (in dollars)					
9750	Basic	6(29)	\$ 2.81	\$ 0.75	
9850	Diluted		\$ 2.81	\$ 0.75	

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



CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent								Notes	
	Retained Earnings			Other Equity Interest						
	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest		Total equity
Year ended December 31, 2020										
Balance at January 1, 2020	\$ 129	\$ 430	\$ 493	(\$ 172)	\$ 7	(\$ 288)	\$ 3,684.0	\$ 651	\$ 4,335.1	
Profit for the year	-	-	197,147	-	-	-	197,147	65,889	263,036	
Other comprehensive loss for the year	-	-	(12,967)	(12,188)	(54,901)	-	(80,056)	(10,958)	(91,014)	6(5)(20)
Total comprehensive income (loss)	-	-	184,180	(12,188)	(54,901)	-	117,091	54,931	172,022	
Distribution of 2019 net income:										
Legal reserve	-	-	(42,311)	-	-	-	-	-	-	6(19)
Cash dividends	-	-	(345,329)	-	-	-	(345,329)	-	(345,329)	6(17)(18)
The Company's dividends received by subsidiaries	-	-	-	-	-	-	28,596	-	28,596	
Decrease in non-controlling interest	-	-	-	-	-	-	-	(58,953)	(58,953)	
Balance at December 31, 2020	\$ 157	\$ 430	\$ 290	(\$ 185)	\$ 2	(\$ 288)	\$ 3,484.4	\$ 647	\$ 4,131.4	
Year ended December 31, 2021										
Balance at January 1, 2021	\$ 157	\$ 430	\$ 290	(\$ 185)	\$ 2	(\$ 288)	\$ 3,484.4	\$ 647	\$ 4,131.4	
Profit for the year	-	-	744,730	-	-	-	744,730	129,447	874,177	6(5)(20)
Other comprehensive loss for the year	-	-	(9,662)	(29,712)	(15,597)	-	(54,971)	(6,759)	(61,730)	
Total comprehensive income (loss)	-	-	735,068	(29,712)	(15,597)	-	689,759	122,688	812,447	
Distribution of 2020 net income:										
Legal reserve	-	-	(18,418)	-	-	-	-	-	-	6(19)
Cash dividends	-	-	(172,664)	-	-	-	(172,664)	-	(172,664)	
Distribution of first half of 2021 net income:										
Legal reserve	-	-	(35,753)	-	-	-	-	-	-	6(19)
Cash dividends	-	-	(143,887)	-	-	-	(143,887)	-	(143,887)	6(17)(18)
Disposal of treasury stocks	-	-	-	-	-	21,715	60,394	-	60,394	6(17)(18)
The Company's dividends received by subsidiaries	-	-	-	-	-	-	25,455	-	25,455	
Decrease in non-controlling interest	-	-	-	-	-	-	-	(45,291)	(45,291)	
Balance at December 31, 2021	\$ 222	\$ 430	\$ 654	(\$ 214)	\$ -	(\$ 267)	\$ 3,943.4	\$ 724	\$ 4,667.9	

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



CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,119,072	\$ 345,965
Adjustments			
Adjustments to reconcile profit (loss)			
Net (gains) losses on financial assets and liabilities at fair value through profit or loss		(5,505)	25,205
Expected credit (gains) losses	12	(2,932)	6,201
(Reversal of allowance) provision for inventory market price decline	6(4)	(11,454)	17,622
Depreciation	6(6)(7)(26)	278,534	306,622
Losses (gains) on disposal of property, plant and equipment	6(24)	3,555 (	937)
Gain from lease modification	6(7)(24)	(213)	-
Amortization	6(8)(26)	4,689	4,325
Interest income	6(22)	(15,022) (	11,214)
Dividend income	6(23)	(22,647) (	34,270)
Interest expense	6(25)	98,569	109,051
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		55,461	104,342
Notes receivable		83,816 (	121,753)
Accounts receivable		(628,480)	11,327
Other receivables		(16,667)	30,260
Inventories		(1,195,390)	36,138
Prepayments		(48,379) (	18,423)
Long-term notes and accounts receivable		35,838	9,560
Changes in operating liabilities			
Current contract liabilities		163,604	84,480
Notes payable		3,246 (	6,200)
Accounts payable		342,321 (	9,456)
Other payables		168,809	1,931
Provisions for liabilities - current		1,553 (	1,622)
Net defined benefit liabilities - non-current		(23,737)	170
Cash inflow generated from operations		388,641	889,324
Interest received		15,022	11,214
Dividends received		22,647	34,270
Income tax refund		5,400	5,426
Interest paid		(93,751) (	110,549)
Income tax paid		(124,250) (	96,630)
Net cash flows from operating activities		213,709	733,055

(Continued)



CHUN YU WORKS & CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in other financial asset - current		\$ 544	(\$ 1,970)
Return of capital from financial assets at fair value	6(5)		
through other comprehensive income		141	2,681
Increase in financial assts measured at amortized cost — non current		(86,915)	-
Cash paid for acquisition of property, plant and equipment	6(30)	(123,533)	(113,884)
Proceeds from disposal of property, plant and equipment		2,072	11,534
Acquisition of right-of-use assets		-	(18,365)
Acquisition of intangible assets	6(8)	(1,663)	(4,288)
Increase in prepayments for business facilities		(66,506)	(18,267)
Decrease in guarantee deposits paid		5,887	4,102
Decrease in other non-current financial assets		8,539	7,600
(Increase) decrease in other non-current assets		(4,445)	3,104
Net cash flows used in investing activities		(265,879)	(127,753)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in short-term borrowings	6(31)	(353,282)	80,500
(Decrease) increase in short-term notes and bills payable	6(31)	(40,000)	30,000
Payments of lease liabilities	6(31)	(22,618)	(23,846)
Increase in bonds payable		3,000,000	-
Increase in long-term borrowings	6(31)	9,309,413	6,567,051
Decrease in long-term borrowings	6(31)	(11,145,202)	(6,802,192)
(Decrease) increase in guarantee deposits received	6(31)	(107)	107
Payments of cash dividends	6(30)	(291,096)	(316,733)
Disposal of treasury stocks	6(17)	60,394	-
Decrease in non-controlling interest		(45,291)	(58,953)
Net cash flows from (used in) financing activities		472,211	(524,066)
Effect of foreign exchange rate changes on cash and cash equivalents		(24,878)	(1,615)
Net increase in cash and cash equivalents		395,163	79,621
Cash and cash equivalents at beginning of year	6(1)	631,074	551,453
Cash and cash equivalents at end of year	6(1)	\$ 1,026,237	\$ 631,074

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



INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chun Yu Works & Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Chun Yu Works & Co., Ltd. (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2021 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

Cut-off of revenue from export sales

Description

Refer to Note 4(27) for accounting policy on revenue recognition and Note 6(19) for details of operating revenue.

The Company derives its revenues from the sales of screws, nuts and wire rods, etc., and revenues from export sales account for a high percentage of total revenue. Export sales are recognized as revenues when control of the goods has been transferred according to the terms specified in the contracts. The revenue recognition requires that the products are delivered to the customer, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance over the products, but delivery time may vary for each sales transaction. The determination as to when products are transferred to customers involves manual process and judgement. Given that there is a risk of material



misstatement from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are usually material to the financial statements, we considered the cut-off of revenue from export sales a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding and assessed the accounting policies on revenue recognition of export sales.
2. Obtained an understanding and assessed the internal controls over revenue recognition of export sales, and tested the effectiveness of internal controls including the delivery process and the timing of revenue recognition.
3. Performed cut-off tests on export sales transactions that took place during a certain period before and after the balance sheet date to ascertain whether sales revenues were recognized when control of goods has been transferred to the customer and revenues were recorded in the proper period.

Valuation of inventories

Description

Refer to Note 4(7) for accounting policy on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2021, the inventories and allowance for inventory valuation losses amounted NT\$2,396,718 thousand and NT\$15,946 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of screws, nuts and wire rods, etc. Due to the market demand, technology innovation and other factors, there is a risk of inventories losing value or becoming obsolete. The inventories are measured at the lower of cost and net realisable value. For inventory over a certain age and individually identified as obsolete or slow-moving, the net realisable values are determined by management based on periodic inventory clearance information. Given that the net realisable value used when assessing the inventories individually identified as obsolete or slow-moving involves subjective judgement, we considered the valuation of inventories a key audit matter.

How our audit addressed the matter

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

1. Assessed the reasonableness of policies and procedures in relation to the provision of allowance for inventory valuation losses based on the accounting principles and our understanding of the nature of the business and the industry.
2. Obtained an understanding of the warehouse management processes, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to evaluate the effectiveness of procedures used by the management to identify and control obsolete inventories.
3. Verified the appropriateness of net realisable value used in inventory valuation and the logic used in the inventory aging report to ascertain the reasonableness of allowance for inventory valuation losses.

Other matter - Reference to the reports of other auditors

We did not audit the financial statements of the investments accounted for using the equity method, Chun Yu Works (USA) Inc. and Pt Moon Lion Industries Indonesia, which were audited by other auditors.



Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for using the equity method amounted to NT\$860,716 thousand and NT\$670,804 thousand, both constituting 9% of the total assets as at December 31, 2021 and 2020, respectively, and the share of profit recognized from subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT\$264,076 thousand and NT\$147,174 thousand, constituting 38% and 126% of the total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting



estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion on the parent company only financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Tzu-Shu

Independent Accountants

Liu, Tzu-Meng

PricewaterhouseCoopers, Taiwan

Republic of China

March 10, 2022

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

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



CHUN YU WORKS & CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

(Expressed in thousands of New Taiwan dollars)						
Assets		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 248,232	3	\$ 120,723	2
1110	Financial assets at fair value through profit or loss - current	6(2)	51,358	1	101,326	1
1150	Notes receivable, net	6(3)	103,956	1	51,746	1
1170	Accounts receivable, net	6(3)	1,098,685	11	471,958	6
1180	Accounts receivable - related parties	6(3) and 7	169,307	2	95,237	1
1200	Other receivables		25,786	-	7,921	-
1210	Other receivables - related parties	7	8,551	-	5,602	-
1220	Current income tax assets	6(26)	9,741	-	36	-
130X	Inventory	5(2) and 6(4)	2,380,772	25	1,500,511	20
1410	Prepayments		39,033	-	28,741	1
11XX	Total current assets		4,135,421	43	2,383,801	32
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(5)	377,084	4	371,841	5
1550	Investments accounted for under equity method	6(6) and 7	3,047,566	32	2,577,933	35
1600	Property, plant and equipment	6(7), 7 and 8	1,850,334	19	1,862,787	25
1755	Right-of-use assets	6(8)	597	-	1,534	-
1760	Investment property - net	6(9) and 8	22,715	-	23,479	-
1780	Intangible assets	6(10)	2,731	-	3,284	-
1840	Deferred income tax assets	6(26)	157,746	2	230,706	3
1915	Prepayments for business facilities	6(7) and 7	9,635	-	6,113	-
1920	Guarantee deposits paid		6,557	-	8,215	-
1980	Other non-current financial assets	6(1) and 8	7,361	-	15,900	-
1990	Other non-current assets		681	-	681	-
15XX	Total non-current assets		5,483,007	57	5,102,473	68
1XXX	Total assets		\$ 9,618,428	100	\$ 7,486,274	100

(Continued)



CHUN YU WORKS & CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

(Expressed in thousands of New Taiwan dollars)								
Liabilities and Equity			December 31, 2021		December 31, 2020			
			AMOUNT	%	AMOUNT	%		
Total current liabilities								
2100	Short-term borrowings	6(11)	\$	932,549	10	\$	994,398	13
2130	Current contract liabilities	6(19)		10,786	-		13,702	-
2170	Accounts payable			460,269	5		114,625	2
2180	Accounts payable to related parties	7		11,666	-		14,677	-
2200	Other payables	7		307,358	3		171,698	2
2280	Current lease liabilities	6(8)		526	-		940	-
2320	Long-term liabilities, current portion	6(13) and 8		-	-		240,000	3
21XX	Total current Liabilities			1,723,154	18		1,550,040	20
Total non-current liabilities								
2530	Bonds payable	6(12) and 8		3,000,000	31		-	-
2540	Long-term borrowings	6(13) and 8		590,000	6		2,100,000	28
2570	Deferred income tax liabilities	6(26)		305,474	3		306,568	4
2580	Non-current lease liabilities	6(8)		-	-		526	-
2640	Accrued pension liabilities	6(14)		55,866	1		44,156	1
2645	Guarantee deposits received			457	-		564	-
25XX	Total non-current liabilities			3,951,797	41		2,451,814	33
2XXX	Total liabilities			5,674,951	59		4,001,854	53
Equity								
Share capital								
3110	Common stock	6(15)		2,877,740	30		2,877,740	39
3200	Capital surplus	6(6)(15)(16)		222,103	2		157,969	2
	Retained earnings	6(17)						
3310	Legal reserve			233,702	2		179,531	2
3320	Special reserve			430,610	5		430,610	6
3350	Unappropriated retained earnings			654,473	7		290,127	4
3400	Other equity interest	6(5)(18)	(	207,956)	(2)	(	162,647)	(2)
3500	Treasury stocks	6(15)(16)	(	267,195)	(3)	(	288,910)	(4)
3XXX	Total equity			3,943,477	41		3,484,420	47
Significant Contingent Liabilities and		9						
Unrecognized Contract Commitments								
3X2X	Total liabilities and equity		\$	9,618,428	100	\$	7,486,274	100

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



CHUN YU WORKS & CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2021		2020	
Items			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(19) and 7	\$ 5,978,369	100	\$ 3,352,716	100
5000	Operating costs	6(4)(10)(14)(24)(25) and 7	(5,286,688)	(89)	(3,184,572)	(95)
5900	Net operating margin		691,681	11	168,144	5
5920	Realized profit from sales	6(6)	-	-	3,066	-
5950	Net operating margin		691,681	11	171,210	5
	Operating expenses	6(10)(14)(24)(25), 7 and 12				
6100	Selling expenses		(164,557)	(3)	(98,150)	(3)
6200	General and administrative expenses		(135,450)	(2)	(120,843)	(4)
6300	Research and development expenses		(12,810)	-	(12,926)	-
6450	Impairment loss determined in accordance with IFRS 9		(1,517)	-	(933)	-
6000	Total operating expenses		(314,334)	(5)	(232,852)	(7)
6900	Operating profit (loss)		377,347	6	(61,642)	(2)
	Non-operating income and expenses					
7100	Interest income	6(20)	91	-	144	-
7010	Other income	6(2)(5)(9)(21) and 7	35,119	1	68,453	2
7020	Other gains and losses	6(2)(22) and 12	42,754	1	(7,121)	-
7050	Finance costs	6(8)(23)	(58,546)	(1)	(43,765)	(1)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	418,337	7	239,504	7
7000	Total non-operating income and expenses		437,755	8	257,215	8
7900	Profit before income tax		815,102	14	195,573	6
7950	Income tax (expense) benefit	6(26)	(70,372)	(1)	1,574	-
8200	Profit for the year		\$ 744,730	13	\$ 197,147	6
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial losses on defined benefit plans	6(14)	(\$ 11,730)	-	(\$ 2,079)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(5)	5,384	-	(25,240)	(1)
8330	Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(6)	(21,259)	-	(40,964)	(1)
8349	Income tax related to components of other comprehensive loss that will not be reclassified to profit or loss	6(26)	2,346	-	415	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(6)(18)	(29,712)	(1)	(12,188)	(1)
8300	Other comprehensive loss for the year, net of tax		(\$ 54,971)	(1)	(\$ 80,056)	(3)
8500	Total comprehensive income for the year		\$ 689,759	12	\$ 117,091	3
	Earnings per share(in dollars)	6(27)				
9750	Basic earnings per share		\$ 2.81		\$ 0.75	
9850	Diluted earnings per share		\$ 2.81		\$ 0.75	

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



CHUN YU WORKS & CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other Equity Interest			Treasury stocks	Total equity
		Share capital - common stock	Capital from retained earnings	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
Year ended December 31, 2020										
Balance at January 1, 2020		\$ 2,877,740	\$ 129,373	\$ 137,220	\$ 430,610	\$ 493,587	\$ 172,821	\$ 77,263	\$ 288,910	\$ 3,684,062
Profit for the year		-	-	-	-	197,147	-	-	-	197,147
Other comprehensive loss for the year	6(6)(18)	-	-	-	-	(12,967)	(12,188)	(54,901)	-	(80,056)
Total comprehensive income (loss)		-	-	-	-	184,180	(12,188)	(54,901)	-	117,091
Distribution of 2019 net income:										
Legal reserve		-	-	42,311	-	(42,311)	-	-	-	-
Cash dividends	6(17)	-	-	-	-	(345,329)	-	-	-	(345,329)
The Company's dividends received by subsidiaries	6(6)(15)(16)	-	28,596	-	-	-	-	-	-	28,596
Balance at December 31, 2020		\$ 2,877,740	\$ 157,969	\$ 179,531	\$ 430,610	\$ 290,127	\$ 185,009	\$ 22,362	\$ 288,910	\$ 3,484,420
Year ended December 31, 2021										
Balance at January 1, 2021		\$ 2,877,740	\$ 157,969	\$ 179,531	\$ 430,610	\$ 290,127	\$ 185,009	\$ 22,362	\$ 288,910	\$ 3,484,420
Profit for the year		-	-	-	-	744,730	-	-	-	744,730
Other comprehensive loss for the year	6(6)(18)	-	-	-	-	(9,662)	(29,712)	(15,597)	-	(54,971)
Total comprehensive income (loss)		-	-	-	-	735,068	(29,712)	(15,597)	-	689,759
Distribution of 2020 net income:										
Legal reserve		-	-	18,418	-	(18,418)	-	-	-	-
Cash dividends	6(17)	-	-	-	-	(172,664)	-	-	-	(172,664)
Distribution of first half of 2021 net income:										
Legal reserve		-	-	35,753	-	(35,753)	-	-	-	-
Cash dividends		-	-	-	-	(143,887)	-	-	-	(143,887)
Disposal of treasury stocks	6(15)(16)	-	38,679	-	-	-	-	-	21,715	60,394
The Company's dividends received by subsidiaries	6(6)(15)(16)	-	25,455	-	-	-	-	-	-	25,455
Balance at December 31, 2021		\$ 2,877,740	\$ 222,103	\$ 233,702	\$ 430,610	\$ 654,473	\$ 214,721	\$ 6,765	\$ 267,195	\$ 3,943,477

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



CHUN YU WORKS & CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 815,102	\$ 195,573
Adjustments			
Adjustments to reconcile profit (loss)			
Net (gain) loss on financial assets and liabilities at fair value through profit or loss		(5,493)	25,813
Expected credit losses	12	1,517	933
Allowance for (reversal of) inventory market price decline	6(4)	(4,323)	5,995
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(6)	(418,337)	(239,504)
Realized profit from sales	6(6)	-	(3,066)
Depreciation	6(7)(8)(9)	109,869	121,340
Loss on disposal of property, plant and equipment	6(22)	3,068	1,499
Amortization	6(10)(24)	1,472	1,421
Interest income	6(20)	(91)	(144)
Dividends income	6(21)	(14,798)	(19,791)
Interest expense	6(23)	58,546	43,765
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		55,461	100,086
Notes receivable		(52,210)	(20,706)
Accounts receivable		(628,244)	(40,082)
Accounts receivable from related parties		(74,070)	(28,120)
Other receivables		(17,865)	(790)
Other receivables from related parties		(2,949)	(853)
Inventories		(875,938)	70,668
Prepayments		(10,292)	2,379
Changes in operating liabilities			
Current contract liabilities		(2,916)	(3,455)
Accounts payable		345,644	10,370
Accounts payable to related parties		(3,011)	6,315
Other payables		123,778	(2,954)
Net defined benefit liabilities - non-current		(20)	1,577
Cash (outflow) inflow generated from operations		(596,100)	228,269
Interest received		91	144
Dividend received		133,420	82,757
Interest paid		(55,080)	(43,497)
Income tax paid		(5,865)	(2,189)
Net cash flows (used in) from operating activities		(523,534)	265,484

(Continued)



CHUN YU WORKS & CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Return of capital from financial assets at fair value through other comprehensive income	6(5)	\$ 141	\$ 2,681
Acquisition of investment accounted for using the equity method-subsiidiaries	6(6)	(135,040)	(27,112)
Cash paid for acquisition of property, plant and equipment	6(28)	(53,694)	(30,809)
Proceeds from disposal of property, plant and equipment		-	669
Acquisition of intangible assets	6(10)	(919)	(1,486)
Increase in prepayments for business facilities		(40,195)	(10,866)
Decrease (increase) in guarantee deposits paid		1,658	(3,227)
Decrease in other non-current financial assets		8,539	7,600
Net cash flows used in investing activities		(219,510)	(62,550)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings	6(29)	(61,849)	241,450
Increase in ordinary bonds payable	6(29)	3,000,000	-
Payments of lease liabilities	6(29)	(940)	(1,323)
Increase in long-term borrowings	6(29)	9,310,000	6,570,000
Decrease in long-term borrowings	6(29)	(11,060,000)	(6,730,000)
(Decrease) increase in guarantee deposits received	6(29)	(107)	107
Payments of cash dividends	6(17)	(316,551)	(345,329)
Net cash flows from (used in) financing activities		870,553	(265,095)
Net increase (decrease) in cash and cash equivalents		127,509	(62,161)
Cash and cash equivalents at beginning of year	6(1)	120,723	182,884
Cash and cash equivalents at end of year	6(1)	\$ 248,232	\$ 120,723

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



Appendix IV

Chun Yu Works & Co., Ltd.

Table of Contents Before and After Amendment in Comparison for “Articles of Incorporation ”

Contents of articles	Before amendment	After amendment	Descriptions
Article XIV-1		<u>The Company's shareholders' meetings can be held by means of visual communication network or other methods promulgated by the Ministry of Economic Affairs.</u>	New specifications added according to practice
	The Company shall appropriate 2% of its earnings of the year, where applicable, as remuneration to the employees, followed by the appropriation of 2% as remunerations to the Directors. However, the Company shall appropriate for covering the loss carried forward, where applicable.	The Company shall appropriate <u>no less than</u> 2% of its earnings of the year, where applicable, as remuneration to the employees, followed by the appropriation of 2% as remunerations to the Directors. However, the Company shall appropriate for covering the loss carried forward, where applicable.	Revise added according to practice
Article XLIII	The Articles of Incorporation was duly instituted on 1964.11.27 Amended for the 1 st instance on 1966/04/15. Amended for the 2 nd instance on 1967/04/15. Amended for the 3 rd instance on 1970/04/27. Amended for the 4 th instance on 1971/06/15. Amended for the 5 th instance on 1973/04/06. Amended for the 6 th instance on 1974/06/30. Amended for the 7 th instance on 1974/09/26. Amended for the 8 th instance on 1975/06/30. Amended for the 9 th instance on 1979/05/21. Amended for the 10 th instance on 1980/05/08. Amended for the 11 th instance on 1981/05/04. Amended for the 12 th instance on 1982/08/28. Amended for the 13 th instance on 1982/10/28. Amended for the 14 th instance on 1985/04/11. Amended for the 15 th instance on 1986/04/10. Amended for the 16 th instance on 1986/07/08. Amended for the 17 th instance on 1987/04/12. Amended for the 18 th instance on	The Articles of Incorporation was duly instituted on 1964.11.27 Amended for the 1 st instance on 1966/04/15. Amended for the 2 nd instance on 1967/04/15. Amended for the 3 rd instance on 1970/04/27. Amended for the 4 th instance on 1971/06/15. Amended for the 5 th instance on 1973/04/06. Amended for the 6 th instance on 1974/06/30. Amended for the 7 th instance on 1974/09/26. Amended for the 8 th instance on 1975/06/30. Amended for the 9 th instance on 1979/05/21. Amended for the 10 th instance on 1980/05/08. Amended for the 11 th instance on 1981/05/04. Amended for the 12 th instance on 1982/08/28. Amended for the 13 th instance on 1982/10/28. Amended for the 14 th instance on 1985/04/11. Amended for the 15 th instance on 1986/04/10. Amended for the 16 th instance on 1986/07/08. Amended for the 17 th instance on 1987/04/12. Amended for the 18 th instance on	Addition of the date of amendment.



Table of Contents Before and After Amendment in Comparison for “Articles of Incorporation ”

Contents of articles	Before amendment	After amendment	Descriptions
	1988/05/24. Amended for the 19 th instance on 1989/03/29. Amended for the 20 th instance on 1989/12/16. Amended for the 21 st instance on 1990/08/19. Amended for the 22 nd instance on 1991/04/14 Amended for the 23 rd instance on 1992/03/26 Amended for the 24 th instance on 1993/06/06 Amended for the 25 th instance on 1994/06/18. Amended for the 26 th instance on 1995/06/17. Amended for the 27 th instance on 1996/06/22. Amended for the 28 th instance on 1997/06/21. Amended for the 29 th instance on 1998/06/20. Amended for the 30 th instance on 1998/06/20 Amended for the 31 st instance on 1999/06/26. Amended for the 32 nd instance on 2000/06/17 Amended for the 33 rd instance on 2002/06/28. Amended for the 34 th instance on 2005/06/30 Amended for the 35 th instance on 2010/06/29 Amended for the 36 th instance on 2012/06/27. Amended for the 37 th instance on 2013/06/26. Amended for the 38 th instance on 2015/06/24. Amended for the 39 th instance on 2016/03/16. Amended for the 40 th instance on 2016/06/29. Amended for the 41 st instance on 2018/06/13 Amended for the 42 nd instance on 2019/06/05 Amended for the 43 rd instance on 2020/06/17	1988/05/24. Amended for the 19 th instance on 1989/03/29. Amended for the 20 th instance on 1989/12/16. Amended for the 21 st instance on 1990/08/19. Amended for the 22 nd instance on 1991/04/14 Amended for the 23 rd instance on 1992/03/26 Amended for the 24 th instance on 1993/06/06 Amended for the 25 th instance on 1994/06/18. Amended for the 26 th instance on 1995/06/17. Amended for the 27 th instance on 1996/06/22. Amended for the 28 th instance on 1997/06/21. Amended for the 29 th instance on 1998/06/20. Amended for the 30 st instance on 1999/06/26. Amended for the 31 ^{sr} instance on 2000/06/17 Amended for the 32 nd instance on 2002/06/28. Amended for the 33 rd instance on 2005/06/30 Amended for the 34 th instance on 2010/06/29 <u>Amended for the 35th instance on 2012/06/27.</u> <u>Amended for the 36th instance on 2013/06/26.</u> <u>Amended for the 37th instance on 2015/06/24.</u> <u>Amended for the 38th instance on 2016/03/16.</u> <u>Amended for the 39th instance on 2016/06/29.</u> <u>Amended for the 44st instance on 2018/06/13</u> <u>Amended for the 41nd instance on 2019/06/05</u> <u>Amended for the 42rd instance on 2020/06/17</u> <u>Amended for the 43rd instance on 2022/06/22</u>	



Chun Yu Works & Co., Ltd.

Table of Contents Before and After Amendment in Comparison of “Shareholders’ Meeting Procedure Rules”

Contents of articles	Before amendment	After amendment	Descriptions
Article III	The Company's shareholders’ meetings shall be convened by the board of directors unless otherwise specified in the laws and ordinances concerned. The Company shall prepare the notices for shareholders’ meeting, proxy form papers, issues to be posed into acknowledgement, into discussion, elections or discharge of directors and such motions and instructions data into electronic files and transmit the same into Market Observation Post System (MOPS) thirty (30) days prior to a shareholders' regular meeting and fifteen (15) days prior to a special shareholders’ meeting. The Company shall prepare a Meeting Agenda Handbook for the shareholders’ meeting and supplementary data of the meeting into electronic files and transmit the same into the Market Observation Post System (MOPS) twenty-one (21) days prior to a shareholders' regular meeting and fifteen (15) days prior to a special shareholders’ meeting. The Company shall prepare a Meeting Agenda Handbook for the current shareholders’ meeting and supplementary data of the meeting readily accessible to shareholders and display the same at the Company and the Company appointed shareholders’ services agent fifteen (15) days prior to the meeting. The Company shall send out the same at the site of the shareholders’ meeting. 	The Company's shareholders’ meetings shall be convened by the board of directors unless otherwise specified in the laws and ordinances concerned. <u>Any change in the manner of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders' meeting.</u> The Company shall prepare the notices for shareholders’ meeting, proxy form papers, issues to be posed into acknowledgement, into discussion, elections or discharge of directors and such motions and instructions data into electronic files and transmit the same into Market Observation Post System (MOPS) thirty (30) days prior to a shareholders' regular meeting and fifteen (15) days prior to a special shareholders’ meeting. The Company shall prepare a Meeting Agenda Handbook for the shareholders’ meeting and supplementary data of the meeting into electronic files and transmit the same into the Market Observation Post System (MOPS) twenty-one (21) days prior to a shareholders' regular meeting and fifteen (15) days prior to a special shareholders’ meeting. The Company shall prepare a Meeting Agenda Handbook for the current shareholders’ meeting and supplementary data of the meeting readily accessible to shareholders and display the same at the Company and the Company appointed shareholders’ services agent fifteen (15) days prior to the meeting. <u>The Company shall prepare a Meeting Agenda Handbook for the current shareholders’ meeting and supplementary data of the meeting readily accessible to shareholders and display the same at the Company and the Company appointed shareholders’ services agent fifteen (15) days prior to the meeting.</u> <u>The aforementioned handbook and supplementary information shall be made available to shareholders on the date of the shareholders' meeting in the following manner:</u> <u>1. In the case of a physical</u>	Revise the specification according to practice



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Contents of articles	Before amendment	After amendment	Descriptions
		<u>shareholders' meeting, they shall be distributed on site at the shareholders' meeting.</u> <u>2. When a video-assisted shareholders' meeting is held, they shall be distributed at the shareholders' meeting and transmitted to the video conference platform through electronic files.</u> <u>3. When a video shareholders' meeting is held, the electronic file shall be sent to the video conference platform.</u>	
Article IV	 In the event that a shareholder intends to participate in the shareholders’ meeting in person or to exercise voting power in writing or in electronic means after the proxy form is submitted to the Company, that shareholder shall notify the Company in writing to revoke the proxy two (2) days prior to the date scheduled for the meeting. Where that shareholder revokes beyond the specified timeframe, the voting power exercised by the authorized proxy shall prevail.	 In the event that a shareholder intends to participate in the shareholders’ meeting in person <u>or by video</u> or to exercise voting power in writing or in electronic means after the proxy form is submitted to the Company, that shareholder shall notify the Company in writing to revoke the proxy two (2) days prior to the date scheduled for the meeting. Where that shareholder revokes beyond the specified timeframe, the voting power exercised by the authorized proxy shall prevail.	Revise the specification according to practice
Article V	A shareholders’ meeting shall be convened at a venue where the Company is headquartered or a spot convenient to shareholders to participate and well oriented to convening a shareholders’ meeting. A shareholders’ meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m. On the venue and timepoint to convene a shareholders’ meeting, the opinions of the independent directors shall be taken into adequate account.	A shareholders’ meeting shall be convened at a venue where the Company is headquartered or a spot convenient to shareholders to participate and well oriented to convening a shareholders’ meeting. A shareholders’ meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m. On the venue and timepoint to convene a shareholders’ meeting, the opinions of the independent directors shall be taken into adequate account. <u>When the Company holds a video shareholders' meeting, the Company shall not be restricted from the location described above.</u>	Revise the specification according to practice
Article VI	The Company shall expressly specify in the notice of meeting the time for accepting the registration from shareholders, the location of the report and other key points for attention. The time for accepting the registration from shareholders in the preceding paragraph shall be handled at least 30 minutes prior to the start of the meeting; the registration place shall be expressly marked and shall be	The Company shall expressly specify in the notice of meeting the time for accepting the registration from shareholders, solicitor and a proxy authorized (hereinafter collectively referred to as shareholders) the location of the report and other key points for attention. The time for accepting the registration from shareholders in the preceding paragraph shall be handled at least 30	Revise the specification according to practice



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Contents of articles	Before amendment	After amendment	Descriptions
	adequately staffed with qualified personnel to handle the meeting. A shareholder himself or herself or a proxy authorized by a shareholder (hereinafter collectively referred to as shareholders) shall participate in the meeting based on the participation certificates, sign-in card or other participation related certificate(s). On the certificate(s) required for a shareholder to participate in a shareholders’ meeting, the Company shall not arbitrarily request provision of other supporting certificate (s). In case of solicitation of proxy forms, a solicitor shall present his or her identity certificate ready for verification. Where the government or juristic person is a shareholder, the representative participating in a shareholders’ meeting is not confined to one person. Where a juristic person is entrusted to participate in a shareholders’ meeting, it may appoint only one representative to participate in the meeting.	minutes prior to the start of the meeting; the registration place shall be expressly marked and shall be adequately staffed with qualified personnel to handle the meeting. <u>Check-in for the video shareholders’ meeting shall be accepted at the shareholders’ meeting video conference platform 30 minutes prior to the commencement of the meeting.</u> <u>Shareholders who have completed the check-in are deemed to be present in person at the shareholders’ meeting.</u> <u>A shareholder himself or herself shall participate in the meeting based on the participation certificates, sign-in card or other participation related certificate(s).</u> On the certificate(s) required for a shareholder to participate in a shareholders’ meeting, the Company shall not arbitrarily request provision of other supporting certificate (s). In case of solicitation of proxy forms, a solicitor shall present his or her identity certificate ready for verification. Where the government or juristic person is a shareholder, the representative participating in a shareholders’ meeting is not confined to one person. Where a juristic person is entrusted to participate in a shareholders’ meeting, it may appoint only one representative to participate in the meeting. <u>If a shareholders’ meeting is held by video conference, shareholders who wish to attend the meeting by video should register with the Company at least two days prior to the shareholders’ meeting.</u> <u>If a shareholders’ meeting is held by video conference, the Company shall upload the meeting handbook, annual report and other relevant information to the video conference platform at least 30 minutes prior to the start of the meeting, and continue to disclose them until the end of the meeting.</u>	
Article VI-1		<u>The Company shall convene a video meeting of the Shareholders’ Meeting and shall specify the following matters in the Notice of Convocation of the Shareholders’ Meeting: 1. Methods for shareholders to participate in video</u>	Revise the specification according to practice



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Contents of articles	Before amendment	After amendment	Descriptions
		<u>meetings and exercise their rights. 2. The handling of obstacles arising from the video conference platform or the participation of video parties due to natural disasters, incidents or other force majeure circumstances includes at least the following matters:</u> <u>(1) The continuation of the pre-opening obstacle does not preclude the time of postponement or renewal of the meeting, and the date on which the assembly is postponed or renewed if it is necessary.</u> <u>(2) Shareholders who have not registered to participate in the original shareholders' meeting by video are not allowed to participate in the adjourned or reconvened meeting.</u> <u>(3) If a video-assisted shareholders' meeting cannot be adjourned, the shareholders' meeting shall continue if the total number of shares present reaches the legal quota for the shareholders' meeting after deducting the number of shares present at the shareholders' meeting by means of video, and the number of shares present at the shareholders' meeting by means of video shall be counted as the total number of shares present and deemed to be abstained for all motions at the shareholders' meeting.</u> <u>(4) The handling of a situation in which the results of all motions have been announced and no extraordinary motion has been made.</u> <u>3. In the event that a video shareholders' meeting is convened, the Company shall specify the appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting by video.</u>	
Article VIII	 The audio and videotape records mentioned under the preceding Paragraph shall be put into custody for one year minimum. Where involved in an issue with lawsuits lodged in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be put under custody until the litigious process is ended.	 The audio and videotape records mentioned under the preceding Paragraph shall be put into custody for one year minimum. Where involved in an issue with lawsuits lodged in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be put under custody until the litigious process is ended. <u>If a shareholders' meeting is held by video conference, the Company shall</u>	Revise the specification according to practice



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Contents of articles	Before amendment	After amendment	Descriptions
		<u>keep records of the shareholders' registration, attendance, questions, voting and the Company's vote counting results, and shall continuously and uninterruptedly record and video tape the entire video conference. The Company shall keep the aforementioned information and audio recordings for the duration of its existence and provide the audio recordings to the person entrusted to conduct the video conference for retention.</u> <u>If the shareholders' meeting is held by video conference, the Company shall make audio recordings of the backstage operation interface of the video conference platform.</u>	
Article IX	The participation in a shareholders' meeting shall be counted based on the number of shares. The number of the participating shares shall be duly calculated based on the sign-in book, the presented sign-in cards added with the number of shares wherewith the shareholders exercise voting powers in writing or by electronic means. The chairperson shall call to order to the meeting as soon as time scheduled for the meeting is up and shall, meanwhile, promulgate the number of non-voting power and the number or shares represented by the present shareholders and such information. In the event that the meeting is attended by shareholders representing one half majority outstanding shares that time, nevertheless, the chairperson may announce a postponement for the meeting. The postponements shall not exceed twice in maximum and the total duration of the postponements accumulated shall not exceed one hour maximum. In the event that after two postponements where the meeting is attended by shareholders representing less than one-third of the outstanding shares, the chairperson may announce that the meeting is aborted. In case the participation is still below the specified quota after two postponements where the meeting is attended by shareholders representing more than one-third of the outstanding	The participation in a shareholders' meeting shall be counted based on the number of shares. The number of the participating shares shall be duly calculated based on the sign-in book or the presented sign-in cards and the number of shares reported to the video conferencing platform added with the number of shares wherewith the shareholders exercise voting powers in writing or by electronic means. The chairperson shall call to order to the meeting as soon as time scheduled for the meeting is up and shall, meanwhile, promulgate the number of non-voting power and the number or shares represented by the present shareholders. In the event that the meeting is attended by shareholders representing one half majority outstanding shares that time, nevertheless, the chairperson may announce a postponement for the meeting. The postponements shall not exceed twice in maximum and the total duration of the postponements accumulated shall not exceed one hour maximum. In the event that after two postponements where the meeting is attended by shareholders representing less than one-third of the outstanding shares, the chairperson may announce that the meeting is aborted. If the shareholders' meeting is held by video conference, the Company shall announce the meeting adjourned on the	Revise the specification according to practice



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Contents of articles	Before amendment	After amendment	Descriptions
	shares, a tentative resolution may be adopted in accordance with Article 175 of the Company Act. The tentative resolution shall be informed to all shareholders and the shareholders’ meeting shall be convened once more within one month.	video conference platform of the shareholders' meeting If a shareholders' meeting is held by video conference, shareholders who wish to attend by video shall re-register with the Company in accordance with Article 6.	
Article XI	 Where a corporate shareholder appoints two or more representatives to participate in a shareholders’ meeting, only one shall be appointed among them can speak up on a same issue. After a present shareholder completes his/her speech, the chairperson may reply either in person himself or through a designated person.	 Where a corporate shareholder appoints two or more representatives to participate in a shareholders’ meeting, only one shall be appointed among them can speak up on a same issue. After a present shareholder completes his/her speech, the chairperson may reply either in person himself or through a designated person. If a shareholders' meeting is convened by video conference, shareholders participating by video may ask questions by text on the video conference platform after the chairman announces the opening of the meeting and before the meeting is adjourned, and no more than two questions may be asked on each proposal, with each question limited to 200 words. If the aforementioned questions do not violate the regulations or do not exceed the scope of the motion, the questions should be disclosed on the video conference platform of the shareholders' meeting for public information.	Revise the specification according to practice
Article XIII	 For those who exercise voting power in writing or electronically per the preceding paragraph, their expressions of intent shall be delivered to the Company two days prior to the date scheduled for the meeting. In the event of repetitions of expressions of intent, the first one shall prevail. Unless the preceding expression is declared withdrawn. A shareholder who intends to participate in a shareholders’ meeting in person after exercising voting power in writing or electronically shall withdraw the expression of intent in the same manner as exercising the voting power two (2) days prior to the date scheduled for the meeting. In the event that such a	 For those who exercise voting power in writing or electronically per the preceding paragraph, their expressions of intent shall be delivered to our Company two days prior to the date scheduled for the meeting. In the event of repetitions of expressions of intent, the first one shall prevail. Unless the preceding expression is declared withdrawn. A shareholder who intends to participate in a shareholders’ meeting in person or by video after exercising voting power in writing or electronically shall withdraw the expression of intent in the same manner as exercising the voting power two (2) days prior to the date scheduled for the meeting. In the	Revise the specification according to practice



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	shareholder withdraws beyond the specified timeframe, the voting power exercised in writing or electronically shall prevail. Where a shareholder exercises voting power in writing or electronically and, as well, appoints a proxy through a proxy form to participate in a shareholders’ meeting, the voting power exercised by that proxy shall prevail. The ballot counting operations for a voting process or election motion shall be conducted only inside the venue open to the public. The counting outcome shall be announced on-the-spot upon completion of the counting process, including the statistical power number which shall be worked out into written records.	event that such a shareholder withdraws beyond the specified timeframe, the voting power exercised in writing or electronically shall prevail. Where a shareholder exercises voting power in writing or electronically and, as well, appoints a proxy through a proxy form to participate in a shareholders’ meeting, the voting power exercised by that proxy shall prevail. The ballot counting operations for a voting process or election motion shall be conducted only inside the venue open to the public. The counting outcome shall be announced on-the-spot upon completion of the counting process, including the statistical power number which shall be worked out into written records. When the Company convenes a shareholders' meeting by video conference, shareholders participating by video shall vote on each motion and election motion through the video conference platform after the chairman announces the commencement of the meeting, and shall complete the voting before the chairman announces the end of the voting, and any delay shall be deemed to be an abstention. If the shareholders' meeting is convened by video conference, the vote shall be counted in a single session and the voting and election results shall be announced after the chairman announces the close of voting. When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 6 and wish to attend the physical shareholders' meeting in person shall cancel their registration in the same manner as their registration two days prior to the shareholders' meeting; if they cancel their registration after the deadline, they may attend the shareholders' meeting by video only. A shareholder who has exercised his or her voting rights in writing or electronically and has not revoked his or her intention to attend the shareholders'	



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Contents of articles	Before amendment	After amendment	Descriptions
		meeting by video means may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on amendments to the original motion, except for a extraordinary motion.	
Article XV	The minutes shall faithfully bear such entries as the month/day/year, venue of the meeting, name of the chairperson, method of resolution, progress of the agenda issues and outcome of revolution (including the number of statistical powers). In case of election of directors, the minutes shall disclose the ballots won by each and every candidate. The minutes shall be put into custody permanently throughout the period while the Company exists.	The minutes shall faithfully bear such entries as the month/day/year, venue of the meeting, name of the chairperson, method of resolution, progress of the agenda issues and outcome of revolution (including the number of statistical powers). In case of election of directors, the minutes shall disclose the ballots won by each and every candidate. The minutes shall be put into custody permanently throughout the period while the Company exists. If a shareholders' meeting is convened by video conference, the minutes of the meeting shall, in addition to the matters required to be recorded in the preceding paragraph, also record the starting and ending time of the shareholders' meeting, the manner in which the meeting is convened, the names of the chairman and recorder, and the manner and circumstances under which the video conference platform or video participation is impeded due to natural disasters, events or other force majeure. In addition to the aforementioned provisions, the Company shall convene a video shareholders' meeting and include in the minutes of the meeting alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video means.	Revise the specification according to practice
Article XVI	On the number of shares solicited by the solicitors and the number of shares under agency through the trusted proxies, the Company shall, on the very day when the shareholders’ meeting is convened, work out the Table of Statistics based on the specified format and expressly disclose the same inside the venue of the shareholders’ meeting.	On the number of shares solicited by the solicitors and the number of shares under agency through the trusted proxies and number of shares of shareholders present by written or electronic means, the Company shall, on the very day when the shareholders’ meeting is convened, work out the Table of Statistics based on the specified format and expressly disclose the same inside the venue of the shareholders’ meeting. if a shareholders' meeting is held by video conference, the Company shall upload the aforementioned information	Revise the specification according to practice



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Contents of articles	Before amendment	After amendment	Descriptions
		to the video conference platform of the shareholders' meeting at least 30 minutes prior to the start of the meeting and continue to disclose the information until the end of the meeting. The Company shall disclose the total number of shares of shareholders present on the video conference platform at the time the video meeting starts. The same applies if the total number of shares and voting rights of the shareholders present are also counted during the meeting.	
Article XIX	These Rules shall be put into enforcement after being resolved in the shareholders’ meeting. This same provision shall apply to an event of amendment. These Rules were duly enacted on June 20, 1998; and duly amended on June 28, 2002 as the 1st amendment; June 24, 2015 as the 2nd amendment; June 17, 2020 as the 3rd amendment; and June 8, 2021 as the 4th amendment.	If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each motion and election results on the video conference platform of the shareholders' meeting immediately after the close of voting in accordance with the regulations, and shall continue to disclose the results for at least fifteen minutes after the meeting is adjourned by the chairman.	In accordance with the new practical norms, the content of the original article is amended to Article 23
Article XX		When the Company holds a video shareholders' meeting, the chairman and the recorder shall be present at the same place in the country, and the chairman shall announce the address of such place at the time of the meeting	New specifications added according to practice
Article XXI		If a shareholders' meeting is held by video conference, the Company may provide a simple connection test for shareholders before the meeting and provide related services immediately before and during the meeting to assist in handling technical problems of communication. If a shareholders' meeting is convened by video conference, the chairman shall, at the time of calling the meeting to order, separately announce that, except for the circumstances specified in paragraph 4 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require the adjournment or continuation of the meeting, if the meeting is adjourned by the chairman due to natural disasters, events or other force majeure	New specifications added according to practice



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		circumstances, and if the video conference platform or participation by means of video conferencing is impaired for a period of 30 minutes or more, the date of the meeting shall be adjourned or renewed within five days, and the provisions of Article 182 of the Company Act shall not apply. In the event of an adjournment or renewal of a meeting, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the adjourned or renewed meeting. The number of shares, voting rights and election rights exercised at the original shareholders' meeting shall be counted as the total number of shares, voting rights and election rights of shareholders present at the adjourned or renewed meeting for those shareholders who have registered to attend the original shareholders' meeting by video message and have completed reporting for the meeting and have not attended the adjourned or renewed meeting. If the shareholders' meeting is adjourned or reconvened in accordance with the second paragraph, it is not necessary to discuss and resolve again the motions for which voting and counting have been completed and the voting results or the list of directors elected have been announced. When the Company holds a video-assisted shareholders' meeting and there is a failure to continue the video conference as stipulated in the second paragraph, if the total number of shares present still reaches the legal quota for the shareholders' meeting after deducting the number of shares present by video, the shareholders' meeting shall continue without any adjournment or renewal of the meeting as stipulated in the second paragraph. In the event that a meeting should be continued as described in the preceding paragraph, the number of shares attended by shareholders participating in the shareholders' meeting by way of video shall be counted as the total number of shares of shareholders	



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		present, but shall be deemed to be abstained for all motions at that shareholders' meeting. If the Company adjourns or renews a meeting in accordance with the second paragraph, the Company shall comply with the provisions set forth in Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and shall complete the relevant preliminaries in accordance with the date of the original shareholders' meeting and the provisions of the Article. During the period specified in the latter part of Article 12 and paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, paragraph 2 of Article 44-5, Article 44-15, and paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or renew the date of the shareholders' meeting in accordance with the provisions of paragraph 2.	
Article XXII		When the Company holds a video shareholders' meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulty attending the shareholders' meeting by means of video.	New specifications added according to practice
Article XXIII		These Rules shall be put into enforcement after being resolved in the shareholders' meeting. This same provision shall apply to an event of amendment. These Rules were duly enacted on June 20, 1998; Amended for 1st instance on 2002/6/28, Amended for 2nd instance on 2015/6/24, Amended for 3rd instance on 2020/6/17, Amended for 4th instance on 2021/7/27, Amended for 5th instance on 2022/6/22.	Addition of the date of amendment.



Chun Yu Works & Co., Ltd.

Table of Contents Before and After Amendment in Comparison of “Regulations Governing the Acquisition and Disposal of Assets”

Contents of articles	Before amendment	After amendment	Descriptions
Article III-2	 When issuing an appraisal report or opinion, the foregoing personnel shall follow the following matters: 1. Before undertaking a case, they should carefully assess their professional competence, practical experience and independence. 2. When checking a case, they shall properly plan and implement appropriate operational procedures to form a conclusion and issue a report or opinion based on it; and shall record in detail the procedures implemented, information collected and conclusions drawn in the working draft of the case. 3. The sources of data, parameters and information used shall be evaluated for completeness, accuracy and reasonableness on a case-by-case basis to form the basis for the issuance of the valuation report or opinion. 4. The declaration shall include that the relevant personnel are professional and independent, that the information used has been evaluated to be reasonable and correct, and that the relevant laws and regulations have been followed.	 When issuing an appraisal report or opinion, In accordance with the self-regulatory rules of their respective industrial associations and the foregoing personnel shall follow the following matters: 1. Before undertaking case, they should carefully assess their professional competence, practical experience and independence. 2. When executing a case, they shall properly plan and implement appropriate operational procedures to form a conclusion and issue a report or opinion based on it; and shall record in detail the procedures implemented, information collected and conclusions drawn in the working draft of the case. 3. The sources of data, parameters and information used shall be evaluated for appropriateness and reasonableness on a case-by-case basis to form the basis for the issuance of the valuation report or opinion. 4. The declaration shall include that the relevant personnel are professional and independent, that the information used has been evaluated to be reasonable and correct, and that the relevant laws and regulations have been followed.	Revise the specification according to practice
Article III-3	When the Company acquires or disposes of marketable securities, the Company shall obtain the most recent financial statements or other relevant information of the subject company that have been audited or reviewed by a certified public accountant prior to the date of actual occurrence as a reference for evaluating the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, an accountant shall be consulted prior to the date of the transaction to express an opinion on the reasonableness of the transaction price, and if an expert report is required, the accountant shall follow the provisions of Statement of Auditing Standards No. 20 issued by the Accounting Research and	When the Company acquires or disposes of marketable securities, the Company shall obtain the most recent financial statements of the subject company that have been audited or reviewed by a certified public accountant prior to the date of actual occurrence as a reference for evaluating the transaction price. If the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, an accountant shall be consulted prior to the date of the transaction to express an opinion on the reasonableness of the transaction price. However, if the securities are publicly quoted in an active market or otherwise specified by the competent authorities, the Company shall not be subject to	Revise the specification according to practice



Table of Contents Before and After Amendment in Comparison of “Regulations Governing the Acquisition and Disposal of Assets”

Contents of articles	Before amendment	After amendment	Descriptions
	Development Foundation (ARDF) in Taiwan. However, if the securities are publicly quoted in an active market or otherwise specified by the competent authorities, the Company shall not be subject to such limitations.	such limitations.	
Article III-4	If the Company acquires or disposes of an intangible asset or its right-to-use asset or membership card transaction amounting to 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the Company shall, prior to the date of occurrence, request an accountant to express an opinion on the reasonableness of the transaction price, and the accountant shall comply with the provisions of Statement of Auditing Standards No. 20 issued by the ARDF.	If the Company acquires or disposes of an intangible asset or its right-to-use asset or membership card transaction amounting to 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the Company shall, prior to the date of occurrence, request an accountant to express an opinion on the reasonableness of the transaction price.	Revise the specification according to practice
Article V	(1) In the event that the Company acquires or disposes of assets under the following circumstances, the Company shall report the relevant information on the website designated by the competent authority within two days from the date of occurrence in accordance with the format and content prescribed by the competent authority. 6. For asset transactions other than those described in the preceding five subparagraphs, the disposal of debts by financial institutions or investments in Mainland China, the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances are excluded: (1) Trading of domestic bonds. (2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its	(1) In the event that the Company acquires or disposes of assets under the following circumstances, the Company shall report the relevant information on the website designated by the competent authority within two days from the date of occurrence in accordance with the format and content prescribed. 6. For asset transactions other than those described in the preceding five subparagraphs, the disposal of debts by financial institutions or investments in Mainland China, the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances are excluded: (1) Trading of domestic bonds or foreign bonds with credit ratings not lower than the sovereign rating of our country. (2) Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust	Revise the specification according to practice



Table of Contents Before and After Amendment in Comparison of “Regulations Governing the Acquisition and Disposal of Assets”

Contents of articles	Before amendment	After amendment	Descriptions
	undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (3) Trading of bonds with buy/sell back conditions, and subscription or buy back of money market funds issued by domestic securities investment trusts. (2) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. (3) At the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety. 	funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. (3) Trading of bonds with buy/sell back conditions, and subscription or buy back of money market funds issued by domestic securities investment trusts. (2) The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month. (3) The company follows the regulations, at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all items shall be re-announced and reported within two days from the date of knowledge.	
Article VI	In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report (if there are provisions in the laws and regulations or the competent authorities, the matters that should be recorded shall be handled in accordance with the relevant provisions.) prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: When the Company acquires or disposes	In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report, prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: When the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.	Revise the specification according to practice



Table of Contents Before and After Amendment in Comparison of “Regulations Governing the Acquisition and Disposal of Assets”

Contents of articles	Before amendment	After amendment	Descriptions
	of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion. (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price in accordance with Statement of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation in Taiwan (hereinafter referred to as "ARDF"): 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.	 (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price in accordance: 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.	
Article XI	 The calculation of the transaction amounts referred to in the preceding paragraph shall be done in accordance with Article 5, paragraph 1, item 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which that have been submitted to the Audit Committee for concurrence in accordance with the provisions of this Standard and proposed to the Board of Directors for approval need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries	 With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 7 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use. (2) Acquisition or disposal of real property right-of-use assets held for	Revise the specification according to practice



Table of Contents Before and After Amendment in Comparison of “Regulations Governing the Acquisition and Disposal of Assets”

Contents of articles	Before amendment	After amendment	Descriptions
	in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 7 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use. (2) Acquisition or disposal of real property right-of-use assets held for business use.	business use. If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the Company's total assets, the Company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the Company and its subsidiaries or between its subsidiaries. The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 5-(1), paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or the audit committee and recognized by the board of directors need not be counted toward the transaction amount.	



Chun Yu Works & Co., Ltd.

Articles of Incorporation

Chapter I General Provision

Article I: The Company is duly incorporated in accordance with the Company Act and bears the title of CHUN YU WORKS & CO., LTD.

Article II: The Company is engaged in the following business:

1. Manufacturing and trading of irons and steels, machines and tools.
2. Manufacturing and trading of screws, nuts, wood screws, iron nails, sanding rods, sanding disc, annealing wire, spheroidizing steel, structural steel, iron wire, and copper wire.
3. Thermal processing and acid pickling of iron and steel, and surface treatment of the above two items.
4. Manufacturing and trading of electronic and electrical appliances.
5. Manufacturing and trading of parts and components for motor vehicles and bicycles.
6. Manufacturing, repair and disassembling of surface vessels.
7. Design, manufacturing and turn-key projects for prevention of pollution and water treatment.
8. Cleanup and treatment of general solid wastes, industrial solid wastes, and toxic dumps.
9. Manufacturing and trading of sulfuric acid, oxidized iron and metallic powder injection molding parts (textile machinery, precision machinery, industrial machinery, electronic communication equipment, business machines, parts for motor vehicles, bicycles and medical devices).
10. F401010 International trade
11. F107100 Wholesale of basic chemical materials.
12. All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article II -1: The Company may act as guarantor in favor of a third party.

Article III: The Company is not governed by Article 13 of the Company Act where direct investment is limited to 40% of the paid-in capital.

Matters pertinent to direct investment shall be determined by the Board.

Article IV: The Company is headquartered in Kaohsiung City, and may establish branch offices in appropriate locations at home and abroad for business needs at the resolution of the Board.

Article V: The Company shall make announcement in accordance with Article 28 of the Company Act.

Chapter II Shares of Stock

Article VI: The Company has stated capital of NT\$3,920,696,000 and equality split into 392,069,600



shares at NT\$10/share. These shares may be offered in tranches.

The Company may issue Employee Stock Options (ESO) and may reserve 5,000,000 shares of the aforementioned total shares for this purpose.

The Board of Directors is authorized to issue ESO in tranches as dictated by business needs.

Employees as referred to in the preceding paragraph shall include the employees of controlled business entities or subsidiaries meeting specific conditions.

These conditions shall be set forth by the Board of Directors under resolution.

Article VI – 1: (deleted)

Article VII: The Company is not required to print physical share certificates, and if so, the Company shall comply with the Company Act and other applicable laws.

Article VIII: Shareholders or legal representatives shall fill in a specimen seal impression and send the impression cards to the Company for reference filing. Respective shareholders or legal representatives shall, based on the aforementioned impression cards on record, claim for stock dividends, bonus or exercise the rights of shareholders in writing.

Article IX: In the event of missing or the replacement of the impression cards of shareholders on record of the Company, proceed to the

Article X: “Regulations Governing the Administration of Shareholders Services of Public Companies.” Shareholders shall duly observe the “Regulations Governing the Administration of Shareholders Services of Public Companies” in addition to other applicable legal rules and code governing securities in processing the assignment of shares, pledging the shares under lien, reporting lost securities, succession of securities, offering securities as gifts, and reporting loss of specimen seal impression and requesting for change of impression, changing mailing address, other shareholder services, and the exercising of the rights of shareholders.

Article XI: (Deleted on 2002/06/28).

Article XII: (Deleted on 2002/06/28)

Article XIII: Transaction of shares shall be prohibited in the period of 60 days prior to a scheduled regular session of the General Meeting of Shareholders, a period of 30 days prior to a scheduled special session of the General Meeting of Shareholders, or a period of 5 days prior to the day of stock dividend or bonus payment or any other benefits decided by the Company.

Chapter III General Meeting of Shareholders

Article XIV: The General Meeting of Shareholders may convene in regular session or special session. Regular session shall be convened once a year within 6 months after the end of the fiscal year as required by the law.



Special session may be convened at any time where necessary.

Article XV: Notice to shareholders for the convention of a regular session shall be made 30 days in advance, and 15 days in advance for special sessions.

Shareholders shall be informed of the year, month, day, place, and the cause of convention.

Article XVI: If a specific shareholder cannot attend a session of the General Meeting of Shareholders in person, such shareholder may use the power of attorney prepared and printed by the Company to appoint a proxy to attend the session by specifying the scope of authorization and the affixing of the authorized signature/seal thereunto.

If one shareholder acting as the proxy of two or more shareholders, the votes to be cast by this shareholder shall not exceed 3% of the total number of votes to be cast for resolution. Any votes in excess will not be counted for this purpose except trust enterprises or the shareholder service agents approved by competent authority.

Unless the Company Act provides otherwise, shareholders appointing proxies to attend the General Meeting of Shareholders shall be governed by the
“Regulations Governing the Use of Power of Attorney by Shareholders to Attend Shareholders Meeting of Public Companies.”

Article XVII: The Chairman shall act as the presiding officer of the General Meeting of Shareholders unless the Company Act provides otherwise. In the absence of the Chairman due to leave or for whatever reasons, the Vice Chairman shall act in the capacity as the presiding officer. If there is no Vice Chairman, or in the absence of the Vice Chairman due to leave or for whatever reasons, the Chairman shall appoint one Director to act in the capacity of the presiding officer. If the Chairman has not appointed any proxy, the Directors shall elect one among themselves to act as the presiding officer. If a session is called for by a third party outside the Board of Directors, such party shall preside over the session. If there are more than two parties calling for the session, they shall elect one among themselves to preside over the session.

Article XVIII: Unless the Company Act specifies otherwise, resolutions of the General Meeting of Shareholders shall be made in a session with the presence of shareholders representing more than half of the total outstanding shares and a simple majority of the shares represented by the shareholders in session.

Article XIX: The exercise of voting rights by the Shareholders and the method of exercise of rights shall be governed by applicable laws.

Article XX: Resolutions of the General Meeting of Shareholders shall be tracked as minutes of meeting on record with the year, month, day, place, name of the presiding officer, method of resolution, the summary of the procedures, and the result inscribed therein and the confirmation of the presiding officer by affixing the authorized signature/seal thereunto. The minutes of meeting on record shall be released to the Shareholders within 20 days after



the session. The release of the minutes of meeting on record shall be governed by the Company Act.

The minutes of the General Meeting of Shareholders on record shall be kept within the perpetuity of the Company.

The sign-in registry book for tracking the attendance of Shareholders and the power of attorney for the proxies shall be kept for at least one year. In the event of legal proceedings instated by Shareholders in accordance with Article 189 of the Company Act, the aforementioned documents shall be kept until the conclusion of the legal proceedings.

Article XXI: Directors are entitled to traveling allowances paid by the Company notwithstanding the profit status of the Company. The remunerations to the Directors shall be commensurate with their level of participation in the operation and contribution value to the Company with reference to the industry standard, and shall be determined by the Board of Directors under authorization.

Chapter IV Directors

Article XXII: The Company shall establish 5 to 11 seats of Directors. Each Director shall have tenure of 3 years in office, and shall be elected by the General Meeting of Shareholders from people of legal capacity. Each Director may assume a second term of office if reelected.

The Directors shall hold a minimum percentage of registered shares being in totality as stated in Article 26 of the Securities and Exchange Act.

Pursuant to Article 14-2 of the Securities and Exchange Act, at least three of the aforementioned seats of Directors shall be reserved for Independent Directors since the election of Directors in 2016, and the total number of seats for Independent Directors shall not fall below 1/5 of the seats of all Directors.

The election of Directors (including Independent Directors) shall be held under the nomination of candidate. Directors shall be elected to the seats from the list of candidates by the General Meeting of Shareholders.

The nomination, method of election, and other complaint matters shall be governed by related rules and regulations of the competent authority.

Article XXIII: The Directors shall be organized into the Board of Directors (the Board). A Chairman shall be elected by the Board in a session with the presence of at least 2/3 of the Directors and a simple majority of the Directors in session for approval.

The Chairman shall execute all matters as required by law, the Articles of Incorporation, and the resolutions of the General Meeting of Shareholders and the Board.

A Vice Chairman may be elected in the same procedure as aforementioned to assist the Chairman.



Article XXIV: The Chairman shall call for the sessions of the Board and shall act as the presiding officer of all sessions of the Board unless the Company specified otherwise.

In the absence of the Chairman due to leave or for whatever reasons, the person acting on behalf of and in the name of the Chairman shall be governed by Article 208 of the Company Act.

In case a specific Director cannot attend a session of the Board in person, such Director may appoint another Director as proxy to attend the session with the authorization of power of attorney specifying the scope of authorization.

Article XXV: Each Director shall have tenure of three years in office and may assume a second term of office if reelected. If an election of Directors cannot be held on time at the expiration of the term of office, the term of office may be extended until a new Board was elected and the new Directors have assumed office. However, the competent authority may order the Company to hold an election of a new Board within its authority. If no election has ever been held at the expiration of the current term of the Board, the current term of the Board shall be discharged as expired.

Article XXVI: The Board shall perform the following functions:

1. Review and institute the internal code of the Company.
2. Determine the business policy.
3. Review the budget and account settlement.
4. Map out the plan for distribution of earnings or covering loss carried forward.
5. Map out the plan for raising new capital or reducing capital.
6. Execute the resolutions of the General Meeting of Shareholders.
7. Exercise the authority granted by the law and the General Meeting of Shareholders

Article XXVII: The Board shall convene at least once quarterly with the Directors informed seven days in advance. The Board may also convene at any time in case of emergency.

The reasons for the convention of the Board shall be specified in the notice of meeting sent to the Directors by correspondence, e-mail, or fax.

Article XXVIII: Unless the Company Act specifies otherwise, all resolutions of the Board shall be made by the Board in session with the presence of at least half of the Directors and a simple majority of the Directors in session.

Article XXIX: If any of the seats of the Directors was left vacant, the Board shall call for a special session of the General Meeting of Shareholders to elect a new Director to fill the vacancy in 60 days. No election of new Directors is required if the vacancy falls below 1/3 of the total seats.



New Directors elected in this manner shall have tenure for the duration of the remaining term of office left behind by its predecessor.

Chapter V Functional Committees

Article XXX: The Company shall establish various functional committees in accordance with applicable laws and the internal code of the Company for vitalizing the function of monitoring and strengthening management mechanisms.

The Company has established the Auditing Committee, which was staffed with all the Independent Directors. There shall be at least three members for the committee. The Auditing Committee shall perform its function in accordance with and be governed by applicable laws and the Articles of Incorporation.

Article XXXI: (Deleted on 2016/06/29).

Article XXXII: (Deleted on 2016/06/29).

Article XXXIII: (Deleted on 2016/06/29).

Chapter VI Key Personnel

Article XXXIV: The Company may appoint a number of managers and the appointment, dismissal and remuneration of whom shall be governed by Article 29 of the Company Act.

Article XXXV: The General Manager shall administer all matters of the Company to the order of the Chairman and the Board. The Deputy General Manager shall assist the General Manager in performing his duties.

Article XXXVI: The Company may retain certified public accountants as accounting advisor and lawyers as legal counsel, or prominent figures of this industry as corporate advisor through the Board for business needs.

The remuneration to these professionals shall be determined by the Board.

Chapter VII Accounting

Article XXXVII: The fiscal year of the Company starts on January 1 and ends on December 31 of each calendar year.

Article XXXVIII: At the end of the fiscal year, the Board shall prepare the following reports and statements for the Company and refer to the General Meeting of Shareholders for recognition.

1. Business Report.
2. Financial Statements.
3. Proposal for the Distribution of Earnings or Appropriation for Covering loss carried forward.

Article XXXIX: The Company shall appropriate 2% of its earnings of the year, where applicable, as



remuneration to the employees, followed by the appropriation of 2% as remunerations to the Directors. However, the Company shall appropriate for covering the loss carried forward, where applicable.

Article XXXIX – 1: The Company may proceed to distribute earnings or appropriate for covering loss carried forward in the middle of the fiscal year under the Company Act. In distributing earnings, the Company shall estimate and appropriate for the payment of applicable taxes, covering loss carried forward under the law, and appropriate for legal reserve. If the amount of legal reserve is equivalent to the paid-in capital, no further appropriation for legal reserve will be necessary. Earnings shall be distributed in cash subject to the approval of the Board. Where earnings may be paid in stock in which case the resolution of the General Meeting of Shareholders shall be necessary.

Further to the payment of applicable taxes and covering of loss carried forward under the law from earnings after account settlement, the Company shall appropriate 10% of the remainder as legal reserve, other reversals, or special reserve, followed by the pooling up with the undistributed earnings of the previous year as distributable income.

The Board shall propose the plan of distribution and present the plan to the General Meeting of Shareholders for approval before proceeding to distribution.

The Company may authorize the Board to make decision of paying stock dividend and bonus, additional paid-in capital or legal reserve by cash in whole or in part in a session attended by more than 2/3 of the Directors and a simple majority of the Directors in session, and report to the General Meeting of the Shareholders regardless of the aforementioned requirement of approval by the General Meeting of the Shareholders in the first place. The dividend policy of the Company is conditioned by the status of profit and pursued in consideration of the capital requirement of corporate development of the future and the interest of the Shareholders.

In general, cash dividend shall not fall below 50% of the total dividend payable to the Shareholders.

This rule shall be subject to change in response to the change in the operation environment of the industry or the need of the operation plan of the Company by the General Meeting of Shareholders upon the proposal of the Board.

Chapter VIII Miscellaneous

Article XL: Any amendment to the Articles of Incorporation shall be made by a session of the General Meeting of Shareholders with the presence of Shareholders representing more than half of the outstanding shares and the approval of Shareholders representing more than 2/3 of the voting rights.

Article XLI: Anything not mentioned in the Articles of Incorporation shall be governed by the Company Act and other applicable laws.

Article XLII: The Articles of Incorporation shall come into full force as of the day of resolution by the General Meeting of Shareholders. The same procedure is applicable to any amendment thereto.

Article XLIII: The Articles of Incorporation was duly instituted on 1964.11.27

Amended for the 1st instance on 1966/04/15.

Amended for the 2nd instance on 1967/04/15.

Amended for the 3rd instance on 1970/04/27.

Amended for the 4th instance on 1971/06/15.



Amended for the 5th instance on 1973/04/06.
Amended for the 6th instance on 1974/06/30.
Amended for the 7th instance on 1974/09/26.
Amended for the 8th instance on 1975/06/30.
Amended for the 9th instance on 1979/05/21.
Amended for the 10th instance on 1980/05/08.
Amended for the 11th instance on 1981/05/04.
Amended for the 12th instance on 1982/08/28.
Amended for the 13th instance on 1982/10/28.
Amended for the 14th instance on 1985/04/11.
Amended for the 15th instance on 1986/04/10.
Amended for the 16th instance on 1986/07/08.
Amended for the 17th instance on 1987/04/12.
Amended for the 18th instance on 1988/05/24.
Amended for the 19th instance on 1989/03/29.
Amended for the 20th instance on 1989/12/16.
Amended for the 21st instance on 1990/08/19.
Amended for the 22nd instance on 1991/04/14.
Amended for the 23rd instance on 1992/03/26.
Amended for the 24th instance on 1993/06/06.
Amended for the 25th instance on 1994/06/18.
Amended for the 26th instance on 1995/06/17.
Amended for the 27th instance on 1996/06/22.
Amended for the 28th instance on 1997/06/21.
Amended for the 29th instance on 1998/06/20.
Amended for the 30th instance on 1998/06/20.
Amended for the 31st instance on 1999/06/26.
Amended for the 32nd instance on 2000/06/17.
Amended for the 33rd instance on 2002/06/28.
Amended for the 34th instance on 2005/06/30.
Amended for the 35th instance on 2010/06/29.
Amended for the 36th instance on 2012/06/27.
Amended for the 37th instance on 2013/06/26.
Amended for the 38th instance on 2015/06/24.
Amended for the 39th instance on 2016/03/16.
Amended for the 40th instance on 2016/06/29.
Amended for the 41st instance on 2018/06/13.



Amended for the 42nd instance on 2019/06/05.

Amended for the 43rd instance on 2020/06/17



**Chun Yu Works & Co., Ltd.
Shareholders' Meeting Procedure Rules**

I. These Regulations are duly enacted in accordance with Article V of Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies in an attempt to set up a sound corporate governance system for the shareholders' meeting of the Company to assure sound supervisory function and strengthen managerial functions.

II. Unless otherwise specified in laws and ordinances concerned or Articles of Incorporation, the Shareholders' Meeting Procedure Rules of the Company shall be duly stipulated based on these Regulations.

III. The Company's shareholders' meetings shall be convened by the board of directors unless otherwise specified in the laws and ordinances concerned.

The Company shall prepare the notices for shareholders' meeting, proxy form papers, issues to be posed into acknowledgement, into discussion, elections or discharge of directors and such motions and instructions data into electronic files and transmit the same into Market Observation Post System (MOPS) thirty (30) days prior to a shareholders' regular meeting and fifteen (15) days prior to a special shareholders' meeting. The Company shall prepare a Meeting Agenda Handbook for the shareholders' meeting and supplementary data of the meeting into electronic files and transmit the same into the Market Observation Post System (MOPS) twenty-one (21) days prior to a shareholders' regular meeting and fifteen (15) days prior to a special shareholders' meeting. The Company shall prepare a Meeting Agenda Handbook for the current shareholders' meeting and supplementary data of the meeting readily accessible to shareholders and display the same at the Company and the Company appointed shareholders' services agent fifteen (15) days prior to the meeting. The Company shall send out the same at the site of the shareholders' meeting.

The notices and public announcement shall expressly bear the reasons to convene the meeting. Subject to consent by the counterparts, the notices may be served by electronic means.

Such issues including election or discharge of directors, amendment to Articles of Incorporation, capital decrease, application for suspension from listing to public, lifting directors from the prohibition of business strife, conversion of earnings into capital increase, dissolution of the Company, merger, de-merger or issues set forth under Paragraph 1, Article 185 of the Company Act; Article 26~1 Article



43~6 of the Securities and Exchange Act and Article 56~1 and Article 60~2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be expressly enumerated in the reasons to convene the meeting with explanation of the major contents and shall not be posed through an extemporary motion.

Where the reasons to convene the meeting expressly bears the issue for an overall re-election of directors with exceptional indication of the date scheduled for their taking the tenure of office, after the re-election is completed in that meeting, such an issue shall no longer be posed through an extempore motion or other means to change the date for their taking the tenure of office.

A shareholder having more than 1% of the total outstanding shares is entitled to pose a motion to the shareholders' regular meeting but only limited to one issue. The issues shall not be enumerated more than once into the agenda. Where an issue is found meeting a situation falling within those under Paragraph 4, Article 172~1 of the Company Act, the board of directors shall not accept it into the agenda.

The Company shall promulgate acceptance of suggestions from shareholders, the methods of acceptance in writing or in electronic means, venue and duration of acceptance prior to the book closure period date prior to a shareholders' regular meeting. The duration of acceptance shall not be less than ten (10) days minimum.

A suggestion posed by a shareholder shall not exceed the maximum limit of three hundred Chinese characters. In case it is in excess of three hundred Chinese characters, that issue shall not be included into the agenda. A shareholder who poses a suggestion shall participate in the shareholders' regular meeting in person or through a proxy and shall participate in the discussion process for that issue.

The Company shall keep shareholders informed of the results of handling prior to the date to serve notices to the shareholders' meeting and shall have the issues satisfactory to the requirements set forth under this Article enumerated in the notice. On the posed motions not covered into the agenda, the board of directors shall explain the reason why they are not entered during the shareholders' meeting.

IV. For each shareholders' meeting, a shareholder may issue a written proxy in the Company printed form, bearing the scope of authorized power to appoint a proxy to attend the shareholders' meeting on his or her behalf.

A shareholder may issue only one proxy form to appoint only one proxy. The proxy form shall be submitted to the Company five (5) days prior to the date scheduled for the meeting. In case two or more



written proxy forms are received from one same shareholder, the first one received by the Company shall prevail. Except the preceding proxy is declared revoked.

In the event that a shareholder intends to participate in the shareholders' meeting in person or to exercise voting power in writing or in electronic means after the proxy form is submitted to the Company, that shareholder shall notify the Company in writing to revoke the proxy two (2) days prior to the date scheduled for the meeting. Where that shareholder revokes beyond the specified timeframe, the voting power exercised by the authorized proxy shall prevail.

V. A shareholders' meeting shall be convened at a venue where the Company is headquartered or a spot convenient to shareholders to participate and well oriented to convening a shareholders' meeting. A shareholders' meeting shall not start earlier than 9:00 a.m. or later than 3:00 p.m. On the venue and timepoint to convene a shareholders' meeting, the opinions of the independent directors shall be taken into adequate account.

VI. The Company shall expressly specify in the notice of meeting the time for accepting the registration from shareholders, the location of the report and other key points for attention.

The time for accepting the registration from shareholders in the preceding paragraph shall be handled at least 30 minutes prior to the start of the meeting; the registration place shall be expressly marked and shall be adequately staffed with qualified personnel to handle the meeting.

A shareholder himself or herself or a proxy authorized by a shareholder (hereinafter collectively referred to as shareholders) shall participate in the meeting based on the participation certificates, sign-in card or other participation related certificate(s). On the certificate(s) required for a shareholder to participate in a shareholders' meeting, the Company shall not arbitrarily request provision of other supporting certificate(s). In case of solicitation of proxy forms, a solicitor shall present his or her identity certificate ready for verification.

The Company shall provide a sign-in book to facilitate the present shareholders to sign in or the present shareholders may submit their sign-in cards instead of the sign-in act.

The Company shall hand over the meeting handbook, annual report, attendance certificate, speech slips, voting ballots and other meeting materials to the present shareholders attending the shareholders' meeting.

In case of election for directors, election ballots shall be additionally attached.

Where the government or juristic person is a shareholder, the representative participating in a



shareholders' meeting is not confined to one person. Where a juristic person is entrusted to participate in a shareholders' meeting, it may appoint only one representative to participate in the meeting.

VII. A shareholders' meeting convened by the board of directors shall be chaired by the chairman. Where the chairman is on leave or unavailable to exercise his power, the vice chairman shall act as his substitute. In case of no vice chairman or where the vice chairman is on leave or unavailable to exercise his power either, the chairman shall appoint one director to act as the substitute. Where the chairman does not appoint a substitute, one director shall be elected from among themselves to act as the substitute. Where a director act as the chairperson as mentioned under the preceding Paragraph, such a director shall be one having served directorship for more than six(6) months with adequate awareness of the Company's financial conditions. This provision equally applies to an event where the chairperson is the representative of a juristic person director.

A shareholders' meeting convened by the board of directors shall be chaired by the chairman in person. Such a shareholders' meeting shall be attended by directors in one half majority of the total director seats in person where each functional committee shall participate in person with at least one representative. The facts of participation shall be recorded in the minutes of the shareholders' meeting.

A shareholders' meeting convened by a convener beyond the board of directors shall be chaired by that convener with convener power. In case of two or more conveners, one shall be elected from among themselves to chair the meeting.

The Company may appoint the retained Attorney(s)-at-Law, certified public accountant(s) or relevant personnel to participate in a shareholders' meeting as a guest participant.

VIII. The Company shall record the shareholder registration process, the meeting process, and the vote counting process from the moment of accepting the shareholder registration into audio and videotape continually without an interruption.

The audio and videotape records mentioned under the preceding Paragraph shall be put into custody for one year minimum. Where involved in an issue with lawsuits lodged in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be put under custody until the litigious process is ended.

IX. The participation in a shareholders' meeting shall be counted based on the number of shares. The number of the participating shares shall be duly calculated based on the sign-in book, the presented sign-in cards added with the number of shares wherewith the shareholders exercise voting powers in



writing or by electronic means.

The chairperson shall call to order to the meeting as soon as time scheduled for the meeting is up and shall, meanwhile, promulgate the number of non-voting power and the number or shares represented by the present shareholders and such information.

In the event that the meeting is attended by shareholders representing one half majority outstanding shares that time, nevertheless, the chairperson may announce a postponement for the meeting. The postponements shall not exceed twice in maximum and the total duration of the postponements accumulated shall not exceed one hour maximum. In the event that after two postponements where the meeting is attended by shareholders representing less than one-third of the outstanding shares, the chairperson may announce that the meeting is aborted.

In case the participation is still below the specified quota after two postponements where the meeting is attended by shareholders representing more than one-third of the outstanding shares, a tentative resolution may be adopted in accordance with Article 175 of the Company Act. The tentative resolution shall be informed to all shareholders and the shareholders' meeting shall be convened once more within one month.

In the event that the shares represented by the present shareholders are up to one half majority of the total outstanding shares before the current meeting ends, the chairperson may pose the adopted tentative resolution to the shareholders for resolution anew in accordance with Article 174 of the Company Act.

X. For a shareholders' meeting convened by the board of directors, the agenda shall be fixed by the board of directors. The relevant motions (including extempore motions and an amendment to the original proposal) shall be resolved on a case-by-case basis. The meeting shall go ahead based on the scheduled agenda which shall not be changed unless duly resolved in the shareholders' meeting.

To an event where the shareholders' meeting is convened by a convener with convening power beyond the board of directors, the provision set forth under the preceding Paragraph shall equally apply.

Until the agenda issues scheduled under the two preceding Paragraphs (including extemporary motions) end, the chairperson shall not announce adjournment of the meeting straight. In the event that the chairperson violates the shareholders' meeting procedure rules by announcing adjournment of the meeting, other members of the board of directors shall promptly help the present shareholders to elect one person to serve as the chairperson through the statutory procedures by one half majority vote of the present



shareholders to chair and continue the meeting.

Toward the issues of the meeting and amendments or extemporary motion posed by shareholders, the chairperson shall grant adequate opportunities for explanation and discussion. Where the time is considered up for voting process, the chairperson may announce discontinuance from discussion and go into the voting process and shall, meanwhile, arrange a timeframe adequate for balloting.

XI. Before a present shareholder deliver a speech, he or she shall first fill in the statement of speech, stating the main points of the speech, shareholder account number (or participation certificate number) and account name so that the chairperson will determine the order of his or her speech.

The present shareholder who has only delivered the speech note but does not deliver a speech shall be deemed to have not delivered a speech. Where the content actually spoken is found differing from the entry onto the speech note, the contents actually spoken shall prevail.

In case of an inquiry into an issue brought to report enumerated under the agenda, a present shareholder shall not speak up until all issues brought to report have been read out or reported in full by the chairperson or a person designated by the chairperson in full. Unless approved by the chairperson, each shareholder shall not speak up more than twice, not beyond five (5) minutes in each speech.

Toward the issues brought for acknowledgement, issues under discussion, election issues enumerated under the agenda as well as all motions in extemporary motions, the speech by each shareholder on the same motion shall not be more than twice, not beyond five (5) minutes in each speech.

Where a present shareholder violates the rules or speaks beyond the scope of the subject issue or violates the order of the meeting, the chairperson may stop his or her speech.

While a present shareholder delivers a speech, other shareholder(s) shall not interfere with the speech unless consented by the chairperson and the speaking shareholder. The chairperson shall stop the offender, if any.

Where a corporate shareholder appoints two or more representatives to participate in a shareholders' meeting, only one shall be appointed among them can speak up on a same issue.

After a present shareholder completes his/her speech, the chairperson may reply either in person himself or through a designated person.

XII. The voting process in a shareholders' meeting shall be counted based on the number of shares.

In the resolution process in a shareholders' meeting, the number of shares without voting power shall not



be counted into the total number of outstanding shares.

Where an issue in the shareholders' meeting involves a shareholder in the interests of the shareholder himself or herself likely to be harmful to the Company's interests, that shareholder shall not participate in the voting process nor shall he or she exercise voting power on behalf of another shareholder.

The number of shares not entitled to voting power mentioned under the preceding Paragraph shall not be counted into the voting power of the present shareholders.

Except for a trust enterprise or a shareholder services agent approved by the competent authority over securities, when a same proxy is authorized by two or more shareholders simultaneously, the voting power represented by that proxy shall not exceed 3% of the aggregate total of outstanding shares. The voting power in excess shall not be counted.

XIII. A shareholder is entitled to one voting unit for each share held except for a share subject to restriction or a share without voting power as enumerated under Paragraph 2, Article 179 of the Company Act.

Where the Company convenes a shareholders' meeting, the Company shall adopt electronic means or such means in writing to exercise the voting power. The methods to exercise the voting power shall be expressly stated onto the notices for the shareholders' meeting. A shareholder who exercises voting power in writing or in electronic means shall be deemed to have participate in the shareholders' meeting in person. Toward an extemporary motion or an amendment to the original motion in that shareholders' meeting, nevertheless, that shareholder is deemed to be in abstention. Accordingly, the Company shall refrain from posing an extempore motion or an amendment to the original motion.

For those who exercise voting power in writing or electronically per the preceding paragraph, their expressions of intent shall be delivered to the Company two days prior to the date scheduled for the meeting. In the event of repetitions of expressions of intent, the first one shall prevail. Unless the preceding expression is declared withdrawn.

A shareholder who intends to participate in a shareholders' meeting in person after exercising voting power in writing or electronically shall withdraw the expression of intent in the same manner as exercising the voting power two (2) days prior to the date scheduled for the meeting. In the event that such a shareholder withdraws beyond the specified timeframe, the voting power exercised in writing or electronically shall prevail. Where a shareholder exercises voting power in writing or electronically and,



as well, appoints a proxy through a proxy form to participate in a shareholders' meeting, the voting power exercised by that proxy shall prevail.

Unless otherwise specified in the Company Act and these Articles of Incorporation, a motion shall be resolved with one half majority vote cast by the total number of present shareholders. In the voting process, the total number of voting power shall be announced by the chairperson or a person designated by the chairperson on a case-by-case basis before the shareholders cast votes for resolution on a case-by-case basis. On the date after the shareholders' meeting is convened, the Company shall have the pros, cons and abstention results input into Market Observation Post System (MOPS).

Where a same motion bears amendment or replacement, the chairperson shall consolidate the amendment or replacement with the original motion to determine the order of the voting process. Where one motion among them is passed, other motions are deemed vetoed without a need to vote once more.

The scrutineers and vote-counters for voting over proposals/motions shall be designated by the chairperson but the scrutineers shall be appointed from among shareholders.

The ballot counting operations for a voting process or election motion shall be conducted only inside the venue open to the public. The counting outcome shall be announced on-the-spot upon completion of the counting process, including the statistical power number which shall be worked out into written records.

XIV. Election of directors amidst a shareholders' meeting, if any, shall be duly handled exactly in accordance with the Director Election Procedures enacted by the Company. The election outcome shall be announced on-the-spot, including the list of successfully elected directors, election votes they won, list of unsuccessful candidates and the electoral votes that they won.

The election ballots amidst the election issue mentioned in the preceding Paragraph shall be closely sealed up and signed by the ballot scrutinizer(s) and shall be put under prudent custody for one year minimum.

Where involved in an issue with lawsuits lodged in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be put under custody until the litigious process is ended.

XV. Decisions resolved in a shareholders' meeting shall be worked out into the minutes which shall be signed and stamped with seal by the chairperson and shall be served to all shareholders within twenty (20) days after the meeting.

The distribution of the minutes as mentioned under the preceding Paragraph may be conducted by means of inputs into the Market Observation Post System (MOPS).



The minutes shall faithfully bear such entries as the month/day/year, venue of the meeting, name of the chairperson, method of resolution, progress of the agenda issues and outcome of revolution (including the number of statistical powers). In case of election of directors, the minutes shall disclose the ballots won by each and every candidate. The minutes shall be put into custody permanently throughout the period while the Company exists.

XVI. On the number of shares solicited by the solicitors and the number of shares under agency through the trusted proxies, the Company shall, on the very day when the shareholders' meeting is convened, work out the Table of Statistics based on the specified format and expressly disclose the same inside the venue of the shareholders' meeting.

Whenever a decision resolved in the shareholders' meeting is deemed as a significant message as defined by the Taiwan Stock Exchange Corporation, the Company shall transmit such decision into the Market Observation Post System (MOPS) within the specified time limit.

XVII. The meeting staff in charge of a shareholders' meeting shall wear identification certificates or armbands.

The chairperson may direct pickets or security guard personnel to help secure order in the venue. When pickets or security guard personnel are on the scene to help maintain order, they should wear a "Picket" armband or identification card.

Where the venue of the meeting is equipped with amplifying equipment, the chairperson may stop it whenever a shareholder does not use the equipment provided by the Company to speak.

Whenever a shareholder violates the Shareholders' Meeting Procedure Rules and does not obey the chairperson's rectification and disturbs the meeting from proceeding, the picket or security personnel may, as instructed by the chairperson, ask such shareholder to leave the venue.

XVIII. During the progress of a meeting, the chairperson may, at his discretion, announce a break for an appropriate period of time. Upon occurrence of a force majeure, the chairperson may rule to discontinue the meeting and announce the time to resume that meeting as the actual circumstances may justify.

Whenever by any reason the venue of the shareholders' meeting becomes unable to be used for the meeting continuously (including extempore motion) before the meeting ends, the shareholders' meeting may resolve a decision to find out another venue to continue the meeting.

The shareholders' meeting may duly resolve in accordance with Article 182 of the Company Act to



postpone the meeting or to resume the meeting within five (5) days.

XIX. These Rules shall be put into enforcement after being resolved in the shareholders' meeting.

This same provision shall apply to an event of amendment.

These Rules were duly enacted on June 20, 1998; and duly amended on

June 28, 2002 as the 1st amendment;

June 24, 2015 as the 2nd amendment;

June 17, 2020 as the 3rd amendment; and

June 8, 2021 as the 4th amendment.



Annex III

Chun Yu Works & Co., Ltd. Directors' Election Procedures

I. In an effort to elect directors in a fair, just and open manner, these Procedures are duly enacted in accordance with Article 21 and Article 41 of the Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies. The Company's directors shall be duly elected in accordance with these Procedures unless otherwise specified in the laws and ordinances concerned or the Articles of Incorporation.

II. On election of the Company's directors, the Company shall carry out the overall configuration of the board of directors into adequate account. On the composition of the board of directors, the Company shall take into account diversity and shall formulate an appropriate diversification policy based on its own operations, operating type and development needs. Such diversification policy shall include but not be limited to the following two major standards: I. Fundamental conditions and values: gender, age, nationality and culture. II. Professional expertise and skills: professional backgrounds (e.g., laws, accounting, industry, finance, marketing or technology), professional skills and hands-on experiences in business. The board of director members shall possess the know-how, skills and attainment required for the implementation of their duties. The overall capabilities so required include: I. Capabilities required to judge business operations II. Capabilities required to analyze accounting and finance. III. Capabilities required in business management. IV. Capabilities required to deal with a crisis. V. Expertise on industry. VI. Overview on international markets. VII. Leadership. VIII. Capabilities required for policymaking process Among directors, there must be one half majority of the director seats free of relative relationship as spouses or blood relatives within the second degree of kinship. The Company should duly adjust the composition of the board of directors' members based on the outcome of the performance evaluation.

III. The qualifications of the Company's independent directors shall satisfy the provisions set forth under Article 2, Article 3 And Article 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Company shall duly elect independent directors in a manner satisfactory to the requirements set forth under Article 5, Article 6, Article 7, Article 8 and Article 9 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies: and shall duly handle the elections in accordance with Article 24 of the "Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies."



IV. The Company shall elect its independent directors in a manner of candidates nomination system set forth under Article 192 of the Company Act. Where a director is discharged from directorship and, as a result, the total number of directors is less than five, the Company shall conduct a by-election for the vacancies in the latest shareholders' meeting. Where the vacancies in the directorship seats is up to one-third of the quota set forth under the Articles of Incorporation, the Company shall convene a special shareholders' meeting for the by-election within sixty (60) days from date of occurrence of the fact. Where the total number of independent directors is less than the provisions set forth under Paragraph 1, Article 14 ~ 2 of the Securities and Exchange Act, the Company shall conduct a by-election for the vacancies in the latest shareholders' meeting. Where all independent directors are discharged from the posts in full, the Company shall convene a special shareholders' meeting for the by-election within sixty (60) days from date of occurrence of the fact.

V. The Company elects directors by means of accumulated balloting system. Each share is entitled to the election powers same as the number of directors to be elected. The election power may be concentrated to elect one candidate or be distributed elect several candidates.

VI. The board of directors shall produce election ballots in the number equivalent to the number of directors to be elected and shall be filled in the number of the powers held by the shareholders. Such ballots shall be distributed to the shareholders participating in in the shareholders' meeting. The names of voters to be entered may be the code of the participation certificates shown on the election ballots instead.

VII. In the Company, the election powers for independent directors and non-independent directors shall be calculated based on the numbers set forth under the Articles of Incorporation and the candidates winning election ballots representing more election powers shall be elected by the respective order. Where two or more candidates winning the same number of votes while in excess of the number of directors to be elected, the candidates winning the same election votes shall decide the winner through lot drawing. The lot of an absentee candidate shall be drawn by the chairperson on his/her behalf.

VIII. Before the start of the election process, the chairperson shall appoint a certain number of scrutineers and tellers from among the ones in the status of a shareholder to perform the respective duties. The ballot box(es) shall be prepared by the board of directors and shall be inspected in public by the scrutineers before balloting.

IX. An election ballot is null and void if bearing one among circumstances enumerated on the left-hand



side: I. Not using an election ballot prepared by the convener. II. Where a blank election ballot is cast into the ballot box III. Where an election ballot is illegible or has been tampered with IV. Where the electee entered is found inconsistent with the list of candidates. V. Where other than the number of distributed election ballots, the election ballot bears other wording.

X. As soon as the voting process is over, the ballots shall be opened on the spot and the results of the balloting shall be announced on the spot by the chairperson as well, including the list of successfully-elected directors and the numbers of election votes that they won in the elections. The election ballots amidst the election issue mentioned in the preceding Paragraph shall be closely sealed up and signed by the ballot scrutinizer(s) and shall be put under prudent custody for one year minimum. Where involved in an issue with lawsuits lodged in accordance with Article 189 of the Company Act, nevertheless, the ballots shall be put under custody until the litigious process is ended. Toward directors successfully elected, the Company's board of directors shall issue notices of successful election.

XI. Matters not specified in these Operating Procedures, if any, shall be duly handled in accordance with the Company Act, these Articles of Incorporation and laws and ordinances concerned.

XII. These procedures shall be put into force after being resolved in the shareholders' meeting. This same provision shall apply to an event of amendment.

These prerequisite were duly amended on June 22, 1996 as the 1st amendment; and duly amended on June 28, 2002 as the 2nd amendment; June 29, 2016 as the 3rd amendment and June 8, 2021 as the 4th amendment.



Annex IV

The effect of paying stock dividend on the operation performance, earnings per share and ROI of the Shareholders:

Year Item		2022	
Paid-in capital at the beginning of the period (NTD)		2,877,740,000	
Stock and cash dividend paid in current period	Cash dividend per share (NTD) (Note 1)	1.50	
	Entitlement of new shares from capitalization of retained earnings per each share of holding	0.05	
	Entitlement of new shares from capitalization of capital surplus per each share held	-	
Changes in operation performance	Operating income	Not applicable (Note 2)	
	Rate of change in operating income from the previous period		
	Net income		
	Rate of change in net income from the previous period.		
	Earnings per share (cum-dividend)		
	Rate of change in earnings per share from the previous period		
	Annual average ROI (ratio of Annual average ROI)		
Planned Earnings per share and P/E ratio	If new shares from capitalization of retained earnings are changed to payment of cash dividend	Planned earnings per share	Not applicable (Note 2)
		Planned annual average ROI	
	If there is no capitalization of capital surplus	Planned earnings per share	
		Planned annual average ROI	
	If there is no capitalization of capital surplus and the capitalization of retained earnings into new shares was changed to payment of cash dividend.	Planned earnings per share	
		Planned annual average ROI	

Note: 1. Information provided is based on the motion of income distribution approved by the Board on 2022.03.10.

2. The Company did not have any public financial forecast in 2022 and it is not necessary to disclose information on the forecast of 2022.



Chun Yu Works & Co., Ltd.
Shareholding by Directors

I. The Company has 287,774,000 outstanding shares for the time being.

II. According to Article 26 of the Securities and Exchange Act, and Article 2 of the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”:

1. Directors of the Company shall hold at least 12,000,000 shares in totality under law.
2. The Company has established an Audit Committee that the requirement of shareholding by Supervisors is not applicable.

III. As of the period prior to the regular session of the General Meeting of Shareholders where transaction of shares is prohibited, the holding of shares by the Directors individually and collectively is specified below:

Apr. 24, 2022

Title	Name	Number of shares	Ratio %
Chairm	TAIWAN STEEL GROUP HOLDING COMPANY. Representative: LIN HUEI-JENG	447,000	0.16%
Director	TAIWAN STEEL GROUP HOLDING COMPANY. Representative: WANG CHIUNG FEN		
Director	BAI JIA YUAN INVESTMENT Co., Ltd Representative: CHEN, CHI-TAI	80,209,000	27.87%
Director	BAI JIA YUAN INVESTMENT Co., Ltd Representative: WONG, CHUNG-CHUN		
Director	LEE, SHIH-HO	3,767,998	1.31%
Independent Director	LEE, YA-JUNG	-	-
Independent Director	WU, YI-CHING	-	-
Independent Director	LEE, CHIN-CHANG	-	-
TOTAL		84,423,998	29.34%