

## Corporate Governance Implementation Status :

Term	Implementation Status			Difference from Corporate Governance Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Description	
1. Does the Company set and disclose a corporate governance code of practice according to corporate governance practice principles for TWSE/GTSM-Listed companies?	✓		The Company has formulated the "Code of Practice for TWSE/GTSM-Listed Company" following laws and regulations and disclosed it on the Public Information Observatory.	No Major Differences
2. Equity structure and shareholder rights.  (1) Has the Company set internal operating procedures to deal with shareholder proposals, doubts, disputes, and litigation matters, and does it implement these under its procedures?	✓		The Company has appointed personnel as spokespersons and proxy spokespersons, and an investor's e-mail address to deal with issues such as shareholder suggestions or opinions.	No Major Differences
(2) Does the Company have a list of persons who ultimately control the major shareholders of the Company?	✓		The Company has appointed personnel for stock affairs to manage relevant information and delegate stock affairs agencies to assist in handling stock-related matters and manage the changes in the list of persons who ultimately control the major shareholders of the Company.	No Major Differences
(3) How does the Company establish its risk management mechanism and firewalls involving affiliated enterprises?	✓		The Company has formulated the "Administrative Measures for Affiliated Party Transactions" to regulate transactions with affiliated companies, which should effectively achieve risk control.	No Major Differences
(4) Has the Company set internal standards to prohibit the use of undisclosed insider information to trade securities on the market?	✓		The Company has set up the "Management Procedures for Insider Trading Prevention" to prohibit company insiders from using undisclosed information on the market to trade securities.	No Major Differences
3. Composition and Responsibilities of the Board of Directors  (1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?	✓		Article 20 of the Company's "Code of Practice on Corporate Governance" has established the policy of diversifying the composition of the Board of Directors. The Company currently has seven directors, of which four are independent. The composition of directors is diversified (please refer to pages 15-16 of this annual report) and regular training courses are conducted ( Please refer to the company's public information website declaration).	No Major Differences

(2) Has the Company voluntarily establish other functional committees besides the Remuneration Committee and Audit Committee?	✓		The Company has established the Committee of salary and remuneration following the law and will set up other functional committees in the future based on actual operating conditions and regulations.	No Major Differences
(3) Has the Company set performance assessment rules and methods for the Board of Directors, and does it perform this evaluation every year?	✓		The Company has established the "Board of Directors Self-evaluation or Peer-evaluation Management Measures" (please refer to page 25-26 of this annual report). The results of the 2021 annual performance evaluation were reported to the Board of Directors on February 22, 2022, where suggestions for improvement were put forward. The performance evaluation will be used as a reference for individual directors' remuneration and nomination for re-election.	No Major Differences
(4) Does regularly evaluate the independence of the CPA?	✓		Since 2019, The Company has required the CPAs to provide a "Declaration of Transcendent Independence" every year. Furthermore, CPAs who pass the independence assessment (see Note 1), are qualified to serve as the Company's CPAs. When discussing the independence and appointment of CPAs, the Board of Directors of the Company also checked the accountants' resumes and the independence statement of each applicant (without violation of Professional Ethics Agreement No. 10) to evaluate their independence.	No Major Differences
4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to oversee corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of the law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	✓		The board of directors appointed MS. CHEN CHIEN-HENG, the Senior Manager of Finance Department, as the Corporate Governance Officer (EMC) on 2022/11/04.	No Major Differences
5. Does the Company establish communication channels and a dedicated section for stakeholders on its website in response to important issues of corporate social responsibility concerns?	✓		The Company has spokespersons and proxy spokespersons as communication channels for stakeholders. The Company has set up a special area and related contact windows for all stakeholders on the Company website. The 2021 Stakeholder Communication	No Major Differences

			Situation Report was submitted at the 9th meeting of the 6th Board of Directors on February 22, 2022.	
6. Has the Company appointed a professional stock affairs agency for shareholders' affairs?	✓		The Company has appointed the stock affairs agency from KGI Securities Co., Ltd. to handle the affairs of the shareholders' meeting.	No Major Differences
7. Disclosure of information (1) Does the Company set up websites to disclose financial operations and corporate governance information?	✓		The Company set up a network connected to the public information observatory to facilitate the public inquiry about the Company's financial business and corporate governance.	No Major Differences
(2) Has the Company adopted other measures (such as English website, a designated person responsible for the collection and disclosure of information, implementation of the spokesman system, the legal entities announcements uploaded to websites, etc.) to disclose information?	✓		The Company has one spokesperson and one proxy spokesperson, and dedicated personnel who is responsible for the collection and disclosure of company information.	No Major Differences
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report Q1, Q2, Q3 financial statements as well as the operating status of each month before the prescribed deadline?	✓		The Company's annual financial reports, Q1, Q2, Q3 financial reports, and operating conditions of each month are all announced before the specified deadline.	No Major Differences

<p>8. Does the Company have other important information for better understanding the Company's corporate governance system (including but not limited to interests and rights of employees, care for employees, relation with investors, relation with suppliers, relation with interested parties, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?</p>	<p>✓</p>	<p>(1) Employees' rights and interests: establish an employee welfare committee and implement a pension system to protect employees' rights and interests.</p> <p>(2) Employee care: plan employee group insurance, regular health check, and handle various employee education and training. The Company has always focused on employees' physical and mental wellness and personal development.</p> <p>(3) Investor relations and rights of stakeholders: to fulfill the Company's responsibilities to shareholders, the Company is required to disclose company information honestly under the laws and regulations to protect the rights and interests of investors and stakeholders.</p> <p>(4) Supplier relationship: The Company has always maintained a good relationship with its suppliers.</p> <p>(5) The training of directors and supervisors: the directors and supervisors of the Company have the professional background and practical experience in industry operation and management, provided with advanced training courses on a regular or irregular basis.</p> <p>(6) Implementation of risk management policies and risk measurement standards: The Company has always adopted a preventive policy for risk management. In addition to the internal control system and the implementation of the internal audit from time to time, the Company also purchases relevant insurance, such as property insurance and product transportation insurance for precautions.</p> <p>(7) Implementation of customer policies: the Company strictly abides by the contracts signed with customers and related regulations to ensure the relevant rights and interests of customers, offering good quality service.</p> <p>(8) Company purchases of liability insurance for directors and supervisors: the Company has purchased liability insurance for directors to strengthen the protection of shareholders' rights and interests.</p>	<p>No Major Differences</p>
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<p>9. Please specify the measures adopted by the Company to improve the items listed in the corporate governance review result from Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be improved.</p>	✓		<p>The current situation of the strengthening and improvement of the Company's governance evaluation results are as follows:  (1) During the shareholders' meeting on May 26, 2022, the Company has elected four independent directors and has elected seven directors. The Company has complied with the corporate governance evaluation index 2.7 Independent director Xida has more than 1/2 of the directors' seats.  (2)The 2022 year financial report disclosed in English will be uploaded 7 days before the opening of the 2023 year general meeting of shareholders of the company.</p>	No Major Differences
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Note 1: Evaluation Standard of CPA Independence

Term for Evaluation	Results	Independence
1. Whether the accountant has a direct or significant indirect financial relationship with the Company.	No	Yes
2. Whether the accountant has any financing or guarantee action with the Company or the directors of the Company.	No	Yes
3. Whether the accountant has a close business relationship and potential employment relationship with the Company.	No	Yes
4. Whether the accountants and their audit team members currently or in the last two years have served as directors or managers of the Company or positions that have a significant impact on the audit work.	No	Yes
5. Whether the accountant provides the Company with non-audit services that may directly affect the audit work.	No	Yes
6. Whether the accountant has brokered the stocks or other securities issued by the Company.	No	Yes
7. Whether the accountant has acted as the defender of the Company or coordinated conflicts with other third parties on behalf of the Company.	No	Yes
8. Whether the accountant is a relative of the Company's directors, managers, or personnel with positions that have a significant influence on the audit case.	No	Yes