



Channel Well Technology Co., Ltd.

2023 Annual Shareholders' Meeting

Meeting Handbook (Translation)

(This English translation is prepared in accordance with Chinese version and is for reference purposes only. In the event for any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Meeting type : Physical shareholders' meeting

Date: June 27, 2023

Place: Monarch Skyline Hotel at Purple Cloud Hall

(Address: No. 108, Sec. 1, Nankan Rd., Luzhu Dist., Taoyuan City)

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I. Meeting Procedure

Meeting Procedure of 2023 Annual Shareholders' Meeting

1. Report attending shares
2. Call meeting to order (report attending shares)
3. Chairman's address
4. Report
 - (1) To report the business of 2022
 - (2) Audit Committee's review report on 2022 Financial Statements
 - (3) Report on the 2022 employees' compensation and directors' remuneration
 - (4) Report on the 2022 Distribution of Cash Dividends
 - (5) To report the Company's loans to others
 - (6) To report the Company's endorsements and guarantees
 - (7) To report the amendments of the "Rules of Procedure for Board of Directors' Meetings"
5. Ratification
 - (1) To approve the 2022 Business Report and Financial Statements
 - (2) To approve the proposal for Distribution of 2022 Earnings
6. Discussion
 - (1) To revise the rules of procedure for shareholders' meetings
7. Election of directors
 - (1) Supplementary election of two independent directors
8. Other proposals
 - (1) To release the prohibition on the Company's newly elected directors from participation in competitive business
9. Extempore Motion
10. Meeting Adjourned

II. Meeting Agenda

【Report】

The first proposal

Proposal : To report the business of 2022

Explanation : Please refer to pages 7~9 **【Attachment 1】** .

The second proposal

Proposal : Audit Committee's review report on 2022 Financial Statements

Explanation : Please refer to pages 10 **【Attachment 2】** .

The third proposal

Proposal : Report on the 2022 employees' compensation and directors' remuneration

Explanation : Please refer to pages 11 **【Attachment 3】** .

The fourth proposal

Proposal : Report on the 2022 Distribution of Cash Dividends

Explanaiqn :

1. The Board of Directors is authorized to distribute the cash dividend by resolution and reports to the shareholders' meeting in accordance with the regulations in the Company Act and the Articles of Incorporation.
2. The Company has allocated NT\$534,369,000 for shareholders' dividend from distributable earnings of 2022, which is NT\$2.35 per share in cash. The chairman is fully authorized to deal with the fractional remnant of less than NT\$1 after distribution.
3. Should the total amount of the Company's common shares outstanding change for any reason, such as repurchase of the Company's stock or treasury stock transfer, before the record date for earnings distribution, the ultimate cash dividend to be distributed to each common share may need to be adjusted accordingly. The chairman is fully authorized to make such adjustment.

The fifth proposal

Proposal : To report the Company's loans to others

Explanation : As of April 30, 2023, the Company and its subsidiaries loan to others as follows:

1. The Company has no loaning funds to others.

2. The subsidiaries loan to others are as follows:

Expressed in thousands of New Taiwan dollars				
Loaning funds to	Borrowing funds from	Outstanding balance of loaning funds	Limit of loaning funds for individual object (Note 1)	Total limit of loaning funds (Note 1)
DATAWELL HK LTD	POWER PLUS TECHNOLOGY CROP.	33,814	296,473	296,473
YOUNG LING ENTERPRISE COMPANY LIMITED	POWER PLUS TECHNOLOGY (VIETNAM) CORP.	159,848	210,587	210,587
DATAWELL HK LTD	YOUNG LING ENTERPRISE COMPANY LIMITED	30,740	296,473	296,473
Each subsidiary – gross		224,402		

Note 1: The aforementioned limit of loaning funds is calculated based on net value of the Financial Statements on December 31, 2022.

The sixth proposal

Proposal : To report the Company's endorsements and guarantees

Explanation : As of April 30, 2023, the Company and its subsidiaries have no endorsement and guarantee to others.

The seventh proposal

Proposal : To report the amendment to the rules of procedure for Board of Directors' Meetings

Explanation : Revise some provisions of the Company's "Rules of Procedure for the Board of Directors Meetings" , please see the comparison table of articles before and after amendment (the twelfth Amendment). (Please refer to pages 33~34 【Attachment 7】)

【Ratification】

The first proposal (Proposed by the Board of Directors)

Proposal : To approve the 2022 Business Report and Financial Statements

Explanation :

1. The Company's 2022 Business Report, Parent Company Only Financial Statements and Consolidated Financial Statements were completed.
2. The Company's Parent Company Only Financial Statements and Consolidated Financial Statements were audited by independent auditors, Mr. Tza-Li Gung and Mr. Shih-Chieh Chou, of Deloitte & Touche CPA Firm with issuance of reports. (Please refer to pages 12~31 【Attachment 4】 and 【Attachment 5】)
3. Please proceed to approve.

Resolution :

The second proposal (Proposed by the Board of Directors)

Proposal : To approve the proposal for Distribution of 2022 Earnings

Explanation :

1. The Company has compiled the 2022 earnings distribution and is approved by the resolution of the Audit Committee and the Board of Directors on March 14, 2023. Here is the Company's 2022 disposition of earnings distribution. (Please refer to pages 32 【Attachment 6】)
2. Please proceed to approve.

Resolution :

【Discussion】

The first proposal (Proposed by the Board of Directors)

Proposal : To revise the rules of procedure for shareholders' meetings

Explanation :

1. It is proposed to revise some provisions of the Company's "Rules of Procedures for Shareholders' Meetings" in order to comply with Article 8 of the Company's Articles of Incorporation and the sample template of "Rules of Procedures for Shareholders' Meetings of ○○ Co., Ltd." announced by competent authorities. Please see the comparison table of articles before and after amendment (the twelfth Amendment). (Please refer to pages 35~44 【Attachment 8】)
2. Please proceed to resolve.

Resolution :

【Election of Directors】

The first proposal (Proposed by the Board of Directors)

Proposal : Supplementary election of two independent directors

Explanation :

- (1) The 11th Board of Directors proposes to by-elect 2 independent directors. The newly elected independent directors will be in office after the shareholders' meeting. The tenure will be from June 27, 2023 to August 2, 2024.
- (2) The Company adopts a candidate nomination system for the election of independent directors. After the Board of Directors's review, the information of the two candidates of independent directors is as follows:

Candidates		Major education and working experience	Shareholdings
Title	Name		
Independent Director	J. YT CHIOU	Education : Department of Accounting, National Chengchi University, Master Experience : Grant Thornton, CPA PKF International Ltd., CPA Incumbent : Sheng Xi Accounting Firm, CPA Qian You Co., Ltd., Director Weiqing Environmental Technology Co., Ltd., Corporate Supervisor Chia Hua Venture Capital Co., Ltd., Supervisor	0 shares
Independent Director	HSU. FU CHIEH	Education : Department of Accounting, Fu Jen Catholic University, Bachelor Experience : Whole Time Accounting Firm, Manager Golden Long Teng Development Co., Ltd., Finance and Accounting Manager Incumbent : Ding Shuo Certified Public Accountants, Partner Accountant	0 shares

- (3) Please proceed to hold the election.

Election Result :

【Other Proposals】

The first proposal (Proposed by the Board of Directors)

Proposal : To release the prohibition on the Company's newly elected directors from participation in competitive business Directors.

Explanation :

- (1) In compliance with Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) Because the Company's newly elected independent director holds two or more positions and might be involved in an act in Article 209 of the Company Act, it is proposed for the approval by the shareholders' meeting to lift the non-compete restrictions for the independent director's concurrent positions held under the premise of not damaging the interests of the Company.
- (3) The independent director's concurrent positions held are as follows:

The Company		Company / Position
Title	Name	
Independent Director	J. YT CHIOU	Qian You Co., Ltd., Director Weiqing Environmental Technology Co., Ltd., Corporate Supervisor Chia Hua Venture Capital Co., Ltd., Supervisor

- (4) Please proceed to resolve.

Resolution :

【Extempore Motion】

【Meeting Adjourned】

III. Attachments

【Attachment 1】

Channel Well Technology Co., Ltd.

2022 Business Report

1. 2022 Operational results

In 2022, various industries are facing the pressure of over stocking from last year. With the emerging inflation and decreasing in people's willingness to purchase, the sales are greatly affected. Overall, the 2022 revenue is decreased by 36% compared to the same period last year. However, the appreciation of the US dollar and proactive cost control, the gross margin remains the same. The exchange interest is largely increased due to the appreciation of the US dollar. In sum, the overall profit is NT\$267,399 thousand less than the previous year. The operational results for 2022 are described as follows:

(1) Implementation results of operational plan

Expressed in thousands of New Taiwan dollars

Items	2022		2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Net sales revenue	6,486,756	100	10,090,823	100	(3,604,067)	(36)
Gross profit	1,245,525	19	1,952,294	19	(706,769)	(36)
Operating income	584,124	9	1,224,417	12	(640,293)	(52)
Net income before tax	937,015	14	1,297,348	13	(360,333)	(28)
Net income	710,636	11	978,035	9	(267,399)	(27)
Total comprehensive income	812,399	13	950,859	9	(138,460)	(15)
Basic earnings per share (dollars)	3.13		4.30		(1.17)	(27)

(2) Budget execution

According to the current laws and regulations, the Company did not make public disclosure for financial forecasts in 2022, it is no need to disclose this information.

(3) Financial revenue and expenditure and analysis of profitability

A. Financial revenue

Expressed in thousands of New Taiwan dollars

Items	2022	2021	Increase (decrease) rate
Net sales revenue	6,486,756	10,090,823	(36)%
Non-operating interest income and other income	117,161	112,945	4%
Total	6,603,917	10,203,768	(35)%

B. Financial expenditure

Expressed in thousands of New Taiwan dollars

Items	2022	2021	Increase (decrease) rate
Cost of sales	5,241,231	8,138,529	(36)%
Operating expenses	661,401	727,877	(9)%
Non-operating finance costs	16,381	6,921	137%
Other (gains) and losses	(252,111)	33,093	(862)%
Total	5,666,902	8,906,420	(36)%

C. Analysis of profitability

Items / Year			2022	2021
Profitability	Return on assets (%)		7.56	10.18
	Return on equity (%)		12.71	17.98
	To paid-in capital ratio	Operating income (%)	25.69	53.85
		Pre-tax net profit (%)	41.21	57.05
	Net profit ratio (%)		10.96	9.69
	Basic earnings per share (dollars)		3.13	4.30

(4) Research and development

Year	Category	Items
2022	PC power supply	HEN/ Moira seires products CSZ/CSE/CST seires products ROG/CSX/L12 seires products Digital Titanium / Platinum products / Fanless products 80 PLUS New Models (Titanium/Platinum/Gold series)
	Other power supply categories	2AFH/2AFK/2AFE/2AFG/2AEC/2ACU seires products USB PD seires products GaN charger seires products Open Frame Power products POE Power products ETG Vehicle Charger products Meet the level 6 energy-saving Power Supply products Wireless Charger products

2. 2023 Business plan outline

(1) Operating strategy

- A. The power supply production line in PPT plant in Vietnam continues to expand and increase the ratio for self-manufactured parts. It agilely adjusts the productivity benefits of the various production bases in China and Vietnam to meet customer's shipping demand.
- B. Speed up the building for local raw material supply chain in PPT plant in Vietnam. Introduce HUB supply mode for import material for smooth and instant supply preparation and reduce overstock and cost control.
- C. Develop various power supplies that compliant to ATX 3.0 and energy saving, digital power supplies, industrial control power supplies and wireless charging and other related products.
- D. Expand gaming power supply market share and actively expand network power supply, industrial control power supply, wireless charging product and power supply product for electric vehicle charging station.

(2) Expected sales volume and its basis

The Company estimates that the sales volume of various types of power supply in 2023 will be approximately 15,655 thousand based on factors such as the industrial environment, market supply and demand, production capacity, and business development goals.

(3) Major production and marketing policies

A. Marketing

- a. Cement existing customers, promote product upgrade to new model, and maintain market share and evaluation together.
- b. Discover potential customers, cross-functional teamwork to fight for new customer cases.
- c. Search strategic partners to expand product markets in different fields and develop customers in unfamiliar regions.
- d. Utilize the advantages of production base in Vietnam PPT factory, which directly supplies in the local, and further develop the local potential customer groups.

B. Production

Increase production efficiency, agilely adjust productivity and product mix in production bases in China and Vietnam to increase productivity benefits and product competitiveness.

3. The Company future development strategy

Continue to develop high power and high added-value power supply product, expand new market and new customer, integrate productivity from each production base, increase productivity benefits and optimize product mix to keep the company's competitiveness.

4. The effect of external competition environment, legal environment and overall business environment

The Company has been adhering to the philosophy of diversified and all-round mobility service, and has established and maintained good cooperative relations with customers. In regard to the operational compliance with domestic and oversea laws and regulations and possible corporate governance issues, social issues, and environmental issues that may have impact on the company operation, the Company's management team keeps close attention at any time and makes appropriate countermeasures in a timely manner.

Chairman: Chun-Wei Pan Manager: Shiow-Hua Yang Accounting Supervisor: Tan-Chun Yang

【 Attachment 2 】

Audit Committee's Review Report

To: The 2023 Annual Shareholders' Meeting of Channel Well Technology Co., Ltd.

The Board of Directors has prepared the Company's Business Report, Financial Statements, and proposal for earnings distribution for the year 2022. The Aforementioned Financial Statements were audited by independent auditors of Deloitte & Touche CPA Firm with issuance of reports.

We, the Audit Committee of the Company have reviewed the above Business Report, Financial Statements, and proposal for earnings distribution in accordance with applicable laws and regulations and found the same have been complied with. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

The Audit Committee of Channel Well Technology Co., Ltd.

Convenor of the Audit Committee: Dong-Rong Huang

March 14, 2023

【Attachment 3】

To report 2022 employee's compensation and directors remuneration

1. Employee's compensation and directors remuneration amount

The Remuneration Committee and Board of Directors approved 2022 employees' compensation and directors' remuneration on March 14, 2023. The distribution amounts are as follows:

Expressed in New Taiwan dollars

Items	Amount	Remark
2022 income before income tax(before distribution)	987,363,444	
Less : Distribution items	-	
Employee's compensation-stock		
Employee's compensation-cash	(82,854,745)	(Note 1)
Directors' remuneration-cash	(18,058,086)	(Note 2)
2022 Net income before income tax	886,450,613	

Note 1: 2022 employee's compensation is NT\$82,854,745, accounting for 8.39% of income before income tax before deduction of employee's compensation and director's remuneration.

Note 2: 2022 directors' remuneration is NT\$18,058,086, accounting for 1.83% of income before income tax before deduction of employee's compensation and director's remuneration.

2. The difference between the distribution amount approved by the Board of Directors and estimated and accrued amount recognized to the fiscal year :

Expressed in New Taiwan dollars

Items	Employee's compensation - stock	Employee's compensation-cash	Directors' remuneration-cash
Distribution			
Distribution amount approved by the Board of Directors	-	82,854,745	18,058,086
Estimated and accrued amount recognized as an expense of the fiscal year	-	82,854,745	18,058,086
Difference	-	-	-
Reasons and handling	Not applicable	Not applicable	Not applicable

【 Attachment 4 】
Independent Auditors' Report

To the Board of Directors of Channel Well Technology Co., Ltd.:

Opinion

We have audited the parent-company-only financial statements of Channel Well Technology Co., Ltd. (the “Company”), which comprise the parent-company-only balance sheets as of December 31, 2022 and 2021, and the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its parent-company-only financial performance and its parent-company-only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities 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 auditing standards generally accepted 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent-company-only financial statements of the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2022 are stated as follows:

The authenticity of sales revenue recognition

According to the accounting policy of the Company, upon shipment date of the electronic equipment products, the customer has the right to set the price and use of the products and bears the main responsibility for resale and the risk of obsolescence. The Company recognizes that point of time as income and accounts receivable. This year, the market demand for some products of the

company has declined, and the overall sales revenue has decreased. Among them, the changes in sales revenue of some customers have shown growth against the trend, and the amount is significant for the Company this year. The amount of impact on the financial statements is significant, and the revenue recognized by these customers may have the risk of not meeting the conditions stipulated in the International Financial Reporting Standards. Consequently, the authenticity of the sales revenue recognition of major customers is identified as a key audit matter. For accounting policies and information related to the sales revenue recognition, please refer to Note 4 of the parent-company-only financial report.

Our audit procedures related to the evaluation of above mentioned included the following, among others:

1. We understand and test the main internal control processes for the recognition of sales revenue from major sales customers.
2. We obtain the sales revenue details of major sales customers throughout the year and verify their correctness and completeness.
3. We sampled from the sales revenue details of major sales customers, and review relevant documents such as their original orders and invoices.

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

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

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

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

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 auditing standards generally accepted 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 generally accepted auditing standards in the Republic of China, we exercised professional judgment and maintained 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 Company audit. We remained solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chou, Shih-Chieh and Gung, Tza-Li.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2023

Channel Well Technology Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

CODE	ASSETS	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 1,069,796	12	\$ 1,098,492	13
1136	Financial assets measured at amortized cost-current (Notes 4 and 8)	1,149,331	13	1,111,465	13
1170	Accounts receivable, net (Notes 4, 9 and 21)	1,507,773	17	2,004,768	23
1180	Accounts receivable from related parties (Notes 4 and 27)	18,773	-	31,426	-
1200	Other receivables (Notes 4 and 9)	34,904	-	27,866	-
1210	Other receivables from related parties (Notes 4, 9 and 27)	39,037	-	13,361	-
130X	Inventories (Notes 4 and 10)	278,029	3	298,468	3
1479	other current assets (Note 16)	7,436	-	17,996	-
11XX	Total current assets	<u>4,105,079</u>	<u>45</u>	<u>4,603,842</u>	<u>52</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income-noncurrent (Notes 4 and 7)	40,348	1	45,278	1
1550	Investments accounted for under the equity method (Notes 4 and 11)	4,159,815	46	3,659,954	41
1600	Property, plant and equipment (Notes 4 and 12)	672,138	7	271,038	3
1760	Investment property, net (Notes 4 and 14)	60,724	1	61,693	1
1780	Intangible assets (Notes 4 and 15)	3,708	-	5,916	-
1840	Deferred income tax assets (Notes 4 and 23)	25,273	-	50,366	1
1990	Other non-current assets (Notes 4 and 16)	9,587	-	131,250	1
15XX	Total non-current assets	<u>4,971,593</u>	<u>55</u>	<u>4,225,495</u>	<u>48</u>
1XXX	Total assets	<u>\$ 9,076,672</u>	<u>100</u>	<u>\$ 8,829,337</u>	<u>100</u>
CODE	Liabilities and Equity				
	Current liabilities:				
2100	Short-term borrowings (Note 17)	\$ 1,720,000	19	\$ 1,540,000	18
2130	Contract liabilities-current (Note 21)	38,521	-	30,218	-
2170	Accounts payable	28,668	-	2,140	-
2180	Accounts payable to related parties (Note 27)	870,611	10	1,019,308	12
2219	Other payables (Note 18)	152,081	2	178,165	2
2201	Other payables to related parties (Note 27)	73,680	1	1,102	-
2230	Income tax payable (Note 4)	138,890	2	126,036	1
2399	Other current liabilities (Note 18)	19,759	-	21,948	-
21XX	Total current liabilities	<u>3,042,210</u>	<u>34</u>	<u>2,918,917</u>	<u>33</u>
	Non-current liabilities:				
2570	Deferred income tax liabilities (Notes 4 and 23)	385,854	4	332,336	4
2645	Guarantee deposits	579	-	579	-
2640	Net defined benefit liability (Notes 4 and 19)	18,308	-	21,162	-
25XX	Total non-current liabilities	<u>404,741</u>	<u>4</u>	<u>354,077</u>	<u>4</u>
2XXX	Total liabilities	<u>3,446,951</u>	<u>38</u>	<u>3,272,994</u>	<u>37</u>
	Equity (Note 4 and 20)				
	Capital stock				
3110	Common stock	2,273,911	25	2,273,911	26
3200	Capital surplus	214,286	2	214,286	2
	Retained earnings				
3310	Appropriated as legal capital reserve	909,098	10	811,139	9
3320	Appropriated as special capital reserve	180,791	2	152,060	2
3350	Unappropriated earnings	2,133,070	24	2,285,738	26
3300	Total retained earnings	3,222,959	36	3,248,937	37
3490	Other equity	(81,435)	(1)	(180,791)	(2)
3XXX	Total equity	<u>5,629,721</u>	<u>62</u>	<u>5,556,343</u>	<u>63</u>
	Total liabilities and equity	<u>\$ 9,076,672</u>	<u>100</u>	<u>\$ 8,829,337</u>	<u>100</u>

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

Channel Well Technology Co., Ltd.
Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

CODE		2022		2021	
		Amount	%	Amount	%
4000	OPERATING REVENUES (notes 4, 21 and 27)	\$ 5,189,043	100	\$ 8,464,451	100
5000	COST OF REVENUE (Notes 10 and 27)	<u>4,481,997</u>	<u>86</u>	<u>7,246,506</u>	<u>86</u>
5900	GROSS PROFIT	<u>707,046</u>	<u>14</u>	<u>1,217,945</u>	<u>14</u>
	OPERATING EXPENSES (Notes 19 and 22)				
6100	Marketing	96,537	2	133,340	2
6200	General and administrative	146,574	3	158,231	2
6300	Research and development	118,378	2	116,218	1
6450	(Gain) on reversal of expected credit loss	(<u>3,211</u>)	<u>-</u>	(<u>1,586</u>)	<u>-</u>
6000	Total operating expenses	<u>358,278</u>	<u>7</u>	<u>406,203</u>	<u>5</u>
6900	INCOME FROM OPERATIONS	<u>348,768</u>	<u>7</u>	<u>811,742</u>	<u>9</u>
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income (Note 22)	40,761	1	28,627	-
7010	Other income (Notes 4, 7, 22 and 27)	24,659	-	44,914	-
7020	Other gains and losses (Note 22)	212,287	4	(12,884)	-
7050	Finance costs (Note 4)	(16,401)	-	(6,907)	-
7070	Share of profits (losses) of subsidiaries and associates (Notes 4)	<u>276,376</u>	<u>5</u>	<u>300,398</u>	<u>4</u>
7000	Total non-operating income and expense	<u>537,682</u>	<u>10</u>	<u>354,148</u>	<u>4</u>
7900	INCOME BEFORE INCOME TAX	886,450	17	1,165,890	13
7950	INCOME TAX EXPENSE (Notes 4 and 23)	(<u>175,814</u>)	(<u>3</u>)	(<u>187,855</u>)	(<u>2</u>)
8200	NET INCOME	<u>710,636</u>	<u>14</u>	<u>978,035</u>	<u>11</u>

(Continued)

CODE		2022		2021	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit obligation	\$ 3,009	-	\$ 135	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(4,930)	-	3,642	-
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently to profit or loss	(602)	-	(27)	-
8310		<u>2,523</u>	<u>-</u>	<u>3,750</u>	<u>-</u>
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising on translation of foreign operations	130,358	3	(38,658)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	(26,072)	(1)	7,732	-
8360		<u>104,286</u>	<u>2</u>	<u>(30,926)</u>	<u>-</u>
8300	Other comprehensive loss for the year, net of income tax	<u>101,763</u>	<u>2</u>	<u>(27,176)</u>	<u>-</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 812,399</u>	<u>16</u>	<u>\$ 950,859</u>	<u>11</u>
	EARNINGS PER SHARE (NT\$, Note 24)				
9750	Basic earnings per share	<u>\$ 3.13</u>		<u>\$ 4.30</u>	
9850	Diluted earnings per share	<u>\$ 3.08</u>		<u>\$ 4.25</u>	

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

Channel Well Technology Co., Ltd.
Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Code		Capital Stock-Common Stock		Capital Surplus	Retained Earnings				Others		Total	Total Equity
		Shares (In thousands)	Amount		Local Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Total	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income		
A1	BALANCE, JANUARY 1, 2021	<u>227,391</u>	<u>\$ 2,273,911</u>	<u>\$ 214,286</u>	<u>\$ 707,717</u>	<u>\$ 140,071</u>	<u>\$ 2,137,841</u>	<u>\$ 2,985,629</u>	<u>(\$ 136,783)</u>	<u>(\$ 15,277)</u>	<u>(\$ 152,060)</u>	<u>\$ 5,321,766</u>
	Appropriations of earnings 2020											
B1	Legal capital reserve	-	-	-	103,422	-	(103,422)	-	-	-	-	-
B3	Special capital reserve	-	-	-	-	11,989	(11,989)	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(716,282)	(716,282)	-	-	-	(716,282)
D1	Net income in 2021	-	-	-	-	-	978,035	978,035	-	-	-	978,035
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	-	108	108	(30,926)	3,642	(27,284)	(27,176)
D5	Total comprehensive income (loss) in 2021	-	-	-	-	-	978,143	978,143	(30,926)	3,642	(27,284)	950,859
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,447	1,447	-	(1,447)	(1,447)	-
Z1	BALANCE, DECEMBER 31, 2021	<u>227,391</u>	<u>2,273,911</u>	<u>214,286</u>	<u>811,139</u>	<u>152,060</u>	<u>2,285,738</u>	<u>3,248,937</u>	<u>(167,709)</u>	<u>(13,082)</u>	<u>(180,791)</u>	<u>5,556,343</u>
	Appropriations of earnings 2021											
B1	Legal capital reserve	-	-	-	97,959	-	(97,959)	-	-	-	-	-
B3	Special capital reserve	-	-	-	-	28,731	(28,731)	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(739,021)	(739,021)	-	-	-	(739,021)
D1	Net income in 2022	-	-	-	-	-	710,636	710,639	-	-	-	710,639
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	-	2,407	2,407	104,286	(4,930)	99,356	101,763
D5	Total comprehensive income (loss) in 2022	-	-	-	-	-	713,043	713,043	104,286	(4,930)	99,356	812,399
Z1	BALANCE, DECEMBER 31, 2022	<u>227,391</u>	<u>\$ 2,273,911</u>	<u>\$ 214,286</u>	<u>\$ 909,098</u>	<u>\$ 180,791</u>	<u>\$ 2,133,070</u>	<u>\$ 3,222,959</u>	<u>(\$ 63,423)</u>	<u>(\$ 18,012)</u>	<u>(\$ 81,435)</u>	<u>\$ 5,629,721</u>

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

Channel Well Technology Co., Ltd.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Income before income tax	\$ 886,450	\$ 1,165,890
A20010	Adjustments for:		
A20100	Depreciation expense	18,239	17,969
A20200	Amortization expense	2,224	2,000
A20300	Gain on reversal of expected credit loss	(3,211)	(1,856)
A23600	Inventory losses (reversal of write-down of inventories)	12,231	(414)
A20900	Finance costs	16,401	6,907
A21200	Interest income	(40,761)	(28,627)
A21300	Dividend income	(340)	(400)
A22300	Share of profits of subsidiaries and associates	(276,376)	(300,398)
A22500	Gain on disposal of property, plant and equipment	(114)	(138)
A30000	Changes in operating assets and liabilities:		
A31130	Notes receivable	133	4,674
A31150	Accounts receivable	500,028	346,241
A31160	Receivables from related parties	12,653	8,496
A31180	Other receivables	(1,973)	(36,871)
A31200	Inventories	8,208	(278,836)
A31240	Other current assets	10,544	(15,312)
A32125	Contract liabilities	8,303	(12,230)
A32150	Accounts payable	26,528	964
A32160	Payables to related parties	(148,697)	(673,741)
A32180	Other payables	(26,889)	(2,907)
A32190	Other payables to related parties	72,578	(194)
A32230	Other current liabilities	(2,189)	(14,136)
A32240	Net defined benefit liability	155	184
A33000	Cash generated from operations	1,074,125	187,265
A33100	Interest received	33,218	24,557
A33300	Interest paid	(15,596)	(6,692)
A33500	Income taxes paid	(111,023)	(208,100)
AAAA	Net cash flows provided by(used in) operating activities	<u>980,724</u>	<u>(2,970)</u>

(Continued)

Code		2022	2021
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisitions of Financial assets at fair value through other comprehensive income	\$ -	(\$ 15,000)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	-	4,687
B00040	Acquisitions of Financial assets at amortized cost	(37,866)	(36,776)
B01800	Additions to investments accounted for under the equity method	(633,655)	-
B01900	Proceeds from disposal of investments accounted for under the equity method	517,375	-
B02700	Acquisitions of property, plant and equipment	(293,270)	(7,182)
B02800	Proceeds from disposal of property, plant and equipmen	367	138
B04500	Acquisitions of intangible assets	-	(3,857)
B07100	Increase in Prepayments for equipment	(3,690)	(130,033)
B07600	Dividends received	340	400
B09900	Acquisitions of dividends in subsidiary	-	478,192
BBBB	Net cash flows provided by(used in) investing activities	(450,399)	290,569
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term loans	180,000	745,000
C04500	Cash dividends	(739,021)	(716,282)
CCCC	Net cash flows provided by(used in) financing activities	(559,021)	28,718
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(28,696)	316,317
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,098,492</u>	<u>782,175</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,069,796</u>	<u>\$ 1,098,492</u>

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

【 Attachment 5 】

Independent Auditors' Report

To the Board of Directors of Channel Well Technology Co., Ltd. :

Opinion

We have audited the accompanying consolidated financial statements of Channel Well Technology Co., Ltd. and its subsidiaries(the“Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, interpretations, as well as related guidance endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

The authenticity of sales revenue recognition

According to the accounting policy of the Group, upon shipment date of the electronic equipment products, the customer has the right to set the price and use of the products and bears the main responsibility for resale and the risk of obsolescence. The Group recognizes that point of time as income and accounts receivable. This year, the market demand for some products of the Group has declined, and the overall sales revenue has decreased. Among them, the changes in sales revenue of some customers have shown growth against the trend, and the amount is significant for the Group

this year. The amount of impact on the financial statements is significant, and the revenue recognized by these customers may have the risk of not meeting the conditions stipulated in the International Financial Reporting Standards. Consequently, the authenticity of the sales revenue recognition of major customers is identified as a key audit matter. For accounting policies and information related to the sales revenue recognition, please refer to Note 4 of the consolidated financial report.

Our audit procedures related to the evaluation of above mentioned included the following, among others:

1. We understand and test the main internal control processes for the recognition of sales revenue from major sales customers.
2. We obtain the sales revenue details of major sales customers throughout the year and verify their correctness and completeness.
3. We sampled from the sales revenue details of major sales customers, and review relevant documents such as their original orders and invoices.

Other Matter

Channel Well Technology Co., Ltd has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion, respectively.

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 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 members of 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 auditing standards generally accepted 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 generally accepted auditing standards in the Republic of China, we exercised professional judgment and maintained 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. We remained solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chou, Shih-Chieh and Gung, Tza-Li.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2023

Channel Well Technology Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2022		December 31, 2021	
		Anout	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,847,595	20	\$ 1,916,911	20
1110	Financial assets at fair value through profit or loss-current (Notes 4 and 7)	198,425	2	182,342	2
1136	Financial assets at amortized cost-current (Notes 4, 9 and 29)	2,092,514	22	1,242,019	13
1170	Accounts receivable, net (Notes 4, 10 and 22)	2,028,707	21	2,618,045	27
1180	Accounts receivable from related parties, net (Notes 4 and 28)	3,952	-	1,274	-
1200	Other receivables (Notes 4, 10 and 28)	61,456	1	31,682	-
130X	Inventories (Notes 4 and 11)	1,061,498	11	1,623,839	17
1479	other current assets (Note 17)	<u>130,662</u>	<u>1</u>	<u>137,545</u>	<u>2</u>
11XX	Total current assets	<u>7,424,809</u>	<u>78</u>	<u>7,753,657</u>	<u>81</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income-noncurrent (Notes 4 and 8)	40,348	-	45,278	-
1600	Property, plant and equipment (Notes 4 and 13)	1,781,063	19	1,388,949	14
1755	Right-of-use assets (Notes 4 and 14)	152,412	2	149,293	2
1760	Investment property, net (Notes 4 and 15)	63,305	1	67,120	1
1780	Intangible assets (Notes 4 and 16)	4,722	-	7,393	-
1840	Deferred income tax assets (Notes 4 and 24)	25,273	-	50,366	-
1915	Prepayments for equipment	22,125	-	153,489	2
1990	Other non-current assets (Note 17)	<u>6,248</u>	<u>-</u>	<u>5,892</u>	<u>-</u>
15XX	Total non-current assets	<u>2,095,496</u>	<u>22</u>	<u>1,867,780</u>	<u>19</u>
1XXX	Total assets	<u>\$ 9,520,305</u>	<u>100</u>	<u>\$ 9,621,437</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities:				
2100	Short-term borrowings (Note 18)	\$ 1,720,000	18	\$ 1,540,000	16
2130	Contract liabilities-current (Notes 4 and 22)	42,927	1	35,112	-
2170	Accounts payable	1,298,933	14	1,657,196	17
2200	Other payables (Note 19)	222,333	2	284,925	3
2230	Income tax payable (Notes 4 and 24)	176,677	2	166,353	2
2399	Other current liabilities (Note 19)	<u>20,684</u>	<u>-</u>	<u>23,208</u>	<u>-</u>
21XX	Total current liabilities	<u>3,481,554</u>	<u>37</u>	<u>3,706,794</u>	<u>38</u>
	Non-current liabilities:				
2570	Deferred income tax liabilities (Notes 4 and 24)	385,854	4	332,336	4
2640	Net defined benefit liability (Notes 4 and 20)	18,308	-	21,162	-
2645	Guarantee deposits	<u>4,868</u>	<u>-</u>	<u>4,802</u>	<u>-</u>
25XX	Total non-current liabilities	<u>409,030</u>	<u>4</u>	<u>358,300</u>	<u>4</u>
2XXX	Total liabilities	<u>3,890,584</u>	<u>41</u>	<u>4,065,094</u>	<u>42</u>
	Equity (Notes 4 and 21)				
3110	Common stock	<u>2,273,911</u>	<u>24</u>	<u>2,273,911</u>	<u>24</u>
3200	Capital surplus	<u>214,286</u>	<u>2</u>	<u>214,286</u>	<u>2</u>
	Retained earnings				
3310	Appropriated as legal capital reserve	909,098	10	811,139	8
3320	Appropriated as special capital reserve	180,791	2	152,060	2
3350	Unappropriated earnings	<u>2,133,070</u>	<u>22</u>	<u>2,285,738</u>	<u>24</u>
3300	Total retained earnings	<u>3,222,959</u>	<u>34</u>	<u>3,248,937</u>	<u>34</u>
3400	Other equity	(<u>81,435</u>)	(<u>1</u>)	(<u>180,791</u>)	(<u>2</u>)
3XXX	Total equity	<u>5,629,721</u>	<u>59</u>	<u>5,556,343</u>	<u>58</u>
	Total liabilities and equity	<u>\$ 9,520,305</u>	<u>100</u>	<u>\$ 9,621,437</u>	<u>100</u>

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

Channel Well Technology Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2022		2021	
		Amount	%	Amount	%
4000	OPERATING REVENUES (Notes 4, 22 and 28)	\$ 6,486,756	100	\$ 10,090,823	100
5000	COST OF REVENUE (Notes 11 and 23)	<u>5,241,231</u>	<u>81</u>	<u>8,138,529</u>	<u>81</u>
5900	GROSS PROFIT	<u>1,245,525</u>	<u>19</u>	<u>1,952,294</u>	<u>19</u>
	OPERATING EXPENSES (Notes 10, 20 and 23)				
6100	Marketing	137,999	2	185,573	2
6200	General and administrative	308,039	5	313,552	3
6300	Research and development	220,042	3	231,151	2
6450	(Gain) on reversal of expected credit loss	(<u>4,679</u>)	<u>-</u>	(<u>2,399</u>)	<u>-</u>
6000	Total operating expenses	<u>661,401</u>	<u>10</u>	<u>727,877</u>	<u>7</u>
6900	INCOME FROM OPERATIONS	<u>584,124</u>	<u>9</u>	<u>1,224,417</u>	<u>12</u>
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income (Note 23)	68,615	1	60,546	1
7010	Other income (Notes 23 and 28)	48,546	1	52,399	-
7020	Other gains and losses (Note 23)	252,111	4	(33,093)	-
7050	Finance costs	(<u>16,381</u>)	(<u>1</u>)	(<u>6,921</u>)	<u>-</u>
7000	Total non-operating income and expense	<u>352,891</u>	<u>5</u>	<u>72,931</u>	<u>1</u>
7900	INCOME BEFORE INCOME TAX	937,015	14	1,297,348	13
7950	INCOME TAX EXPENSE (Notes 4 and 24)	(<u>226,379</u>)	(<u>3</u>)	(<u>319,313</u>)	(<u>4</u>)
8200	NET INCOME	<u>710,636</u>	<u>11</u>	<u>978,035</u>	<u>9</u>

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit obligation	\$ 3,009	-	\$ 135	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(4,930)	-	3,642	-
8349	Income tax benefit (expense) related to items that will not be reclassified subsequently to profit or loss	(602)	-	(27)	-
8310		(2,523)	-	3,750	-
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising on translation of foreign operations	130,358	2	(38,658)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	(26,072)	-	7,732	-
8360		104,286	2	(30,926)	-
8300	Other comprehensive loss for the year, net of income tax	101,763	2	(27,176)	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 812,399	13	\$ 950,859	9
	EARNINGS PER SHARE (NT\$, Note 25)				
9750	Basic earnings per share	\$ 3.13		\$ 4.30	
9850	Diluted earnings per share	\$ 3.08		\$ 4.25	

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

Channel Well Technology Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

C o d e		Capital Stock-Common Stock		Capital Surplus	Retained Earnings			Translation Reserve	Others		Total	Total Equity
		Shares (In thousands)	Amount		Local Capital Reserve	Special Capital Reserve	Unappropriated Earnings		Foreign Currency Translation	Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income		
A1	BALANCE, JANUARY 1, 2021	<u>227,391</u>	<u>\$ 2,273,911</u>	<u>\$ 214,286</u>	<u>\$ 707,717</u>	<u>\$ 140,071</u>	<u>\$ 2,137,841</u>	<u>\$ 2,985,629</u>	<u>(\$ 136,783)</u>	<u>(\$ 15,277)</u>	<u>(\$ 152,060)</u>	<u>\$ 5,321,766</u>
B1	Appropriations of earnings 2020											
	Legal capital reserve	-	-	-	103,422	-	(103,422)	-	-	-	-	-
B3	Special capital reserve	-	-	-	-	11,989	(11,989)	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(716,282)	(716,282)	-	-	-	(716,282)
D1	Net income in 2021	-	-	-	-	-	978,035	978,035	-	-	-	978,035
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	-	108	108	(30,926)	3,642	(27,284)	(27,176)
D5	Total comprehensive income (loss) in 2021	-	-	-	-	-	978,143	978,143	(30,926)	3,642	(27,284)	950,859
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,447	1,447	-	(1,447)	(1,447)	-
Z1	BALANCE, DECEMBER 31, 2021	<u>227,391</u>	<u>2,273,911</u>	<u>214,286</u>	<u>811,139</u>	<u>152,060</u>	<u>2,285,738</u>	<u>3,248,937</u>	<u>(167,709)</u>	<u>(13,082)</u>	<u>(180,791)</u>	<u>5,556,343</u>
B1	Appropriations of earnings 2021											
	Legal capital reserve	-	-	-	97,959	-	(97,959)	-	-	-	-	-
B3	Special capital reserve	-	-	-	-	28,731	(28,731)	-	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	(739,021)	(739,021)	-	-	-	(739,021)
D1	Net income in 2022	-	-	-	-	-	710,636	710,636	-	-	-	710,636
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	-	2,407	2,407	104,286	(4,930)	99,356	101,763
D5	Total comprehensive income (loss) in 2022	-	-	-	-	-	713,043	713,043	104,286	(4,930)	99,356	812,399
Z1	BALANCE, DECEMBER 31, 2022	<u>227,391</u>	<u>\$ 2,273,911</u>	<u>\$ 214,286</u>	<u>\$ 909,098</u>	<u>\$ 180,791</u>	<u>\$ 2,133,070</u>	<u>\$ 3,222,959</u>	<u>(\$ 63,423)</u>	<u>(\$ 18,012)</u>	<u>(\$ 81,435)</u>	<u>\$ 5,629,721</u>

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

Channel Well Technology Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 937,015	\$ 1,297,348
A20010	Adjustments for:		
A20100	Depreciation expense	130,960	125,880
A20200	Amortization expense	2,834	2,694
A20300	Gain on reversal of expected credit loss	(4,679)	(2,399)
A20400	Net gain in financial assets or liabilities at fair value through profit or loss	(2,871)	(7,896)
A20900	Finance costs	16,381	6,921
A21200	Interest income	(68,615)	(60,546)
A21300	Dividend income	(340)	(400)
A22500	Loss (gain) on disposal of property, plant and equipment	(44)	2,131
A23700	Inventory losses (reversal of write-down of inventories)	36,295	(1,805)
A30000	Changes in operating assets and liabilities:		
A31130	Notes receivable	18,581	6,147
A31150	Accounts receivable	586,646	428,932
A31160	Receivables from related parties	(2,678)	4,035
A31180	Other receivables	(60,670)	(48,414)
A31200	Inventories	552,369	(389,354)
A31240	Other current assets	6,466	23,297
A32125	Contract liabilities	7,817	(10,399)
A32150	Accounts payable	(389,317)	(925,631)
A32180	Other payables	(65,594)	(74,750)
A32230	Other current liabilities	(2,525)	(15,211)
A32240	Net defined benefit liability	155	184
A33000	Cash generated from operations	1,698,186	360,764
A33100	Interest received	47,610	58,978
A33300	Interest paid	(15,600)	(6,706)
A33500	Income taxes paid	(164,118)	(329,757)
AAAA	Net cash flows provided by operating activities	<u>1,566,078</u>	<u>83,279</u>

(Continued)

Code		2022	2021
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisitions of Financial assets at fair value through other comprehensive income	\$ -	(\$ 15,000)
B00020	Proceeds from disposal of Financial assets at fair value through other comprehensive income	-	4,687
B00040	Acquisitions of Financial assets at amortized cost	(807,002)	-
B00050	Proceeds from disposal of Financial assets at amortized cost	-	5,420
B00100	Acquisitions of Financial assets at fair value through profit or loss	(1,263)	-
B00200	Proceeds from disposal of Financial assets at fair value through profit or loss	-	974,532
B02700	Acquisitions of property, plant and equipment	(349,701)	(184,217)
B02800	Proceeds from disposal of property, plant and equipment	368	7,015
B03700	Increase in refundable deposits	(263)	-
B03800	Decrease in refundable deposits	-	31
B04500	Acquisitions of intangible assets	(124)	(3,857)
B07100	Increase in Prepayments for equipment	6,010	(103,311)
B07600	Dividend received	<u>340</u>	<u>400</u>
BBBB	Net cash flows provided by(used in) investing activities	<u>(1,151,635)</u>	<u>685,700</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term loans	180,000	745,000
C03100	Increase in guarantee deposits received	66	286
C04500	Cash dividends	(<u>739,021</u>)	(<u>716,282</u>)
CCCC	Net cash flows provided by(used in) financing activities	<u>(558,955)</u>	<u>29,004</u>
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>75,196</u>	(<u>21,925</u>)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(69,316)	776,058
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,916,911</u>	<u>1,140,853</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,847,595</u>	<u>\$ 1,916,911</u>

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

【 Attachment 6 】

Channel Well Technology Co., Ltd.
2022 Statements of Earnings Distribution

Expressed in New Taiwan dollars

Item	Amount	
	Subtotal	total
Accumulated un-appropriated earnings at the beginning of the period		\$ 1,420,027,345
Net profit after tax for the current period	710,636,287	
Recognition of remeasurement on defined benefit plans to retained earnings	2,407,530	
Current period net profit after tax plus items other than current period net profit after tax to be accounted to the amount of unappropriated retained earnings for the current year		713,043,817
Setting aside 10% legal reserve		(71,304,382)
Setting aside special reserves (Note 1)		99,356,632
Accumulated appropriated retained earnings for the current period		2,161,123,412
Distribution items (Note 2):		
Cash dividend to shareholders (NT\$2.35 per share)		(534,369,000)
Unappropriated retained earnings		\$ 1,626,754,412
<p>(Note 1) Financial statements translation gains of foreign operations recognized in 2022 is NT\$104,286,632, unrealized loss from financial assets measured at fair value through other comprehensive income is NT\$4,930,000, resulting in the shareholders' equity-other equity generate net positive NT\$99,536,632, and reversal of special reserve.</p> <p>(Note 2) Priority distribution of 2022 earnings.</p>		

Chairman: Chun-Wei Pan Manager: Shiow-Hua Yang Accounting Supervisor: Tan-Chun Yang

【Attachment 7】

Channel Well Technology Co., Ltd.

Comparison between the revision and the original of “Rules of Procedure for Board of Directors’ Meetings” (the twelfth Amendment)

Article	Current Articles	Amended Articles	Reasons for amendments
Article 3	<p>The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice to be given under the preceding paragraph may be effective by means of e-mail or facsimile with the prior consent of the recipients.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion <u>except in the case of an emergency or for other legitimate reason.</u></p>	<p>The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice to be given under the preceding paragraph may be effective by means of e-mail or facsimile with the prior consent of the recipients.</p> <p>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion.</p>	Amended in compliance with No.1110064012 dated August 9, 2022 by the TPEX.
Article 12	<p>The following items shall be submitted for discussion by the board of directors: 1~5. Omitted.</p> <p><u>6.</u>The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p><u>7.</u>A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p><u>8.</u>Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <u>7</u> of the preceding paragraph means a related party as defined in the Regulations</p>	<p>The following items shall be submitted for discussion by the board of directors: 1~5. Omitted.</p> <p><u>6.</u>The election or discharge of the chairperson.</p> <p><u>7.</u>The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p><u>8.</u>A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p><u>9.</u>Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph <u>8</u> of the preceding paragraph means a related party as defined in the Regulations</p>	Amended in compliance with No.1110064012 dated August 9, 2022 by the TPEX.

	Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. Omitted.	Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. Omitted.	
Article 19	The first Amendment on January 23, 2002 The second Amendment on February 14, 2003 The third Amendment on March 18, 2004 The fourth Amendment on December 6, 2006 The fifth Amendment on March 28, 2008 The sixth Amendment on March 25, 2010 The seventh Amendment on March 29, 2012 The eighth Amendment on December 27, 2012 The ninth Amendment on March 29, 2018 The tenth Amendment on March 27, 2020 The eleventh Amendment on November 11, 2020	The first Amendment on January 23, 2002 The second Amendment on February 14, 2003 The third Amendment on March 18, 2004 The fourth Amendment on December 6, 2006 The fifth Amendment on March 28, 2008 The sixth Amendment on March 25, 2010 The seventh Amendment on March 29, 2012 The eighth Amendment on December 27, 2012 The ninth Amendment on March 29, 2018 The tenth Amendment on March 27, 2020 The eleventh Amendment on November 11, 2020 <u>The twelfth Amendment on March 14, 2023</u>	Add amendment date.

【Attachment 8】

Channel Well Technology Co., Ltd.

Comparison between the revision and the original of “Rules of Procedure for Shareholders’ Meetings” (the twelfth Amendment)

Current Articles	Amended Articles	Reasons for amendments	Current Articles
Article 3	<p>Convening shareholders meetings and shareholders meeting notices.</p> <p>(1) Omitted.</p> <p>(2) The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. In addition, 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby <u>as well as being distributed on-site at the meeting place.</u></p>	<p>Convening shareholders meetings and shareholders meeting notices.</p> <p>(1) Omitted.</p> <p>(2) <u>Changes in the method of convening the shareholders' meeting of the Company shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u></p> <p>(3) The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. In addition, 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.</p> <p><u>The Company shall provide the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on</u></p>	<p>Articles of Incorporation is amended in cooperation with Article 172-2 of the Company Act. A shareholders’ meeting may be proceeded via visual communication network is approved on the shareholders’ meeting on June 29, 2022, and Sample Template for ○○ Co., Ltd. Rules of Procedure for Shareholders Meetings is added.</p>

	<p>(3) The time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention shall be specified in shareholders meeting notices.</p> <p>(4) Omitted.</p> <p>(5) Omitted.</p> <p>(6) Omitted.</p> <p>(7) Omitted.</p> <p>(8) Omitted.</p> <p>(9) Omitted.</p> <p>(10) Omitted.</p>	<p><u>the date of the shareholders meeting:</u></p> <p><u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>(4) The time during which shareholders, <u>solicitors and proxies</u> (collectively "shareholders") attendance registrations will be accepted, the place to register for attendance, and other matters for attention shall be specified in shareholders meeting notices.</p> <p>(5) Omitted.</p> <p>(6) Omitted.</p> <p>(7) Omitted.</p> <p>(8) Omitted.</p> <p>(9) Omitted.</p> <p>(10) Omitted.</p> <p>(11) Omitted.</p>	
Article 4	<p>Proxy for attending shareholders meetings and its cancellation.</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>Proxy for attending shareholders meetings and its cancellation.</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person <u>or online or to exercise voting rights by correspondence or electronically</u>, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual communication network</p>

Article 5	<p>Principles determining the time and place of a shareholders meeting. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p>	<p>Principles determining the time and place of a shareholders meeting.</p> <p>(1) The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>(2) <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u></p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual communication network</p>
Article 6	<p>Preparation of documents such as the attendance book.</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) Omitted.</p> <p>(4) Omitted.</p>	<p>Preparation of documents such as the attendance book.</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) Omitted.</p> <p>(4) Omitted.</p> <p>(5) <u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u></p> <p>(6) <u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual communication network</p>

Article 8	<p>Documentation of a shareholders meeting by audio or video. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>Documentation of a shareholders meeting by audio or video.</p> <p>(1) The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p>(2) <u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.</u></p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual communication network</p>
Article 9	<p>Calculation of number of shares in attendance at shareholders meetings and call the meeting to order.</p> <p>(1) Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>(2) The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent</p>	<p>Calculation of number of shares in attendance at shareholders meetings and call the meeting to order.</p> <p>(1) Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform,</u> plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>(2) The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third</p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual communication network.</p> <p>Item number three is combined with item number two.</p>

	<p>less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>(3) If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.</p> <p>(4) Omitted.</p>	<p>of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders' meeting, shareholders intending to attend the meeting online shall re-register to the Company.</u></p> <p>(3) Omitted.</p>	
Article 11	<p>Shareholder speech.</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) Omitted.</p> <p>(4) Omitted.</p> <p>(5) Omitted.</p> <p>(6) Omitted.</p>	<p>Shareholder speech.</p> <p>(1) Omitted.</p> <p>(2) Omitted.</p> <p>(3) Omitted.</p> <p>(4) Omitted.</p> <p>(5) Omitted.</p> <p>(6) Omitted.</p> <p><u>(7) Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u></p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual communication network.</p>
Article 13	<p>Voting on a proposal, vote monitoring and counting method.</p> <p>(1) Omitted.</p> <p>(2) When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting</p>	<p>Voting on a proposal, vote monitoring and counting method.</p> <p>(1) Omitted.</p> <p>(2) When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights</p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual</p>

	<p>rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>(3) A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>(4) After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>(5) Omitted.</p> <p>(6) Omitted.</p> <p>(7) Omitted.</p> <p>(8) Omitted.</p>	<p>are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>(3) After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>(4) Omitted.</p> <p>(5) Omitted.</p> <p>(6) Omitted.</p> <p>(7) Omitted.</p>	<p>communication network.</p> <p>Item number three is combined with item number two.</p>
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Article 14	<p>Election of directors.</p> <p><u>(1)</u> The election of directors at a shareholders meeting shall be held in accordance with the applicable Procedures for Election of Directors adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected and the names of directors and supervisors not elected and number of votes they received.</p> <p><u>(2)</u> The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>Election of directors.</p> <p>The election of directors at a shareholders meeting shall be held in accordance with the applicable Procedures for Election of Directors adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected and the names of directors and supervisors not elected and number of votes they received.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	Item numbers are deleted but the items remain the same.
Article 15	<p>Meeting minutes and signed matters.</p> <p>(1) Omitted.</p> <p><u>(2)</u>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.</p> <p><u>(3)</u>The resolutions of a shareholders meeting referred to in the preceding two paragraph, for each proposal shall follow by a poll of the shareholders, and the results for each proposal shall be recorded in the meeting minutes.</p>	<p>Meeting minutes and signed matters.</p> <p>(1) Omitted.</p> <p><u>(2)</u>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.</p> <p>The resolutions of a shareholders meeting referred to in the preceding two paragraph, for each proposal shall follow by a poll of the shareholders, and the results for each proposal shall be recorded in the meeting minutes.</p>	Item number three is combined with item number two.

Article 16	<p>Public disclosure.</p> <p>(1) On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation <u>and the number of shares represented by proxies</u>, and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p>(2) If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under <u>Taiwan Stock Exchange Company (or GreTai Securities Market)</u> regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>Public disclosure.</p> <p>(1) On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, <u>the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p>(2) <u>During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p>(3) If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under <u>competent authorities</u> regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual communication network.</p>
<u>Article 19</u>		<p><u>Disclosure of information at virtual meetings</u></p> <p><u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual communication network.</p>

<u>Article 20</u>		<p><u>Handling of disconnection</u></p> <p><u>(1) In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>(2) When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in the first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.</u></p>	<p>Addition is in cooperation with the amendment for shareholders' meeting via visual communication network.</p>
<u>Article 21</u>	<p>These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>Article number is adjusted with amendments.</p>

<u>Article 22</u>	The first Amendment on May 28, 2001. The second Amendment on January 23, 2002. The third Amendment on March 18, 2004. The fourth Amendment on March 29, 2012. The fifth Amendment on March 27, 2013. The sixth Amendment on June 10, 2015. The seventh Amendment on June 26, 2017. The eighth Amendment on June 27, 2018. The ninth Amendment on June 24, 2020. The tenth and eleventh Amendments on August 3, 2021.	The first Amendment on May 28, 2001. The second Amendment on January 23, 2002. The third Amendment on March 18, 2004. The fourth Amendment on March 29, 2012. The fifth Amendment on March 27, 2013. The sixth Amendment on June 10, 2015. The seventh Amendment on June 26, 2017. The eighth Amendment on June 27, 2018. The ninth Amendment on June 24, 2020. The tenth and eleventh Amendments on August 3, 2021. <u>The twelfth Amendments on June 27, 2023.</u>	Article number is adjusted with amendments and amendment date is added.
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IV. Appendix

【Appendix 1】

Channel Well Technology Co., Ltd.

Rules of Procedure for Board of Directors Meetings

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's board of directors and to strengthen management capabilities, these Rules are adopted pursuant to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2

With respect to the board of directors meetings ("board meetings") of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3

The board of directors shall meet at least quarterly. A notice of the reasons for convening a board meeting shall be given to each director 7 days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice. The notice to be given under the preceding paragraph may be effective by means of e-mail or facsimile with the prior consent of the recipients.

All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4

The designated unit responsible for the board meetings of the Company shall be Stock Affairs, which shall plan and draft meeting issues and agenda by consulting each Director in advance, and prepare sufficient meeting materials, and shall deliver them together with the notice of the meeting.

A director who is of the opinion that the meeting materials provided are insufficient may request their supplementation by the unit responsible for board meetings. If a director is of the opinion that materials concerning any proposal are insufficient, the deliberation of such proposal may be postponed by a resolution of the board of directors.

Article 5

1. When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with these Articles of Incorporation. Attendance by videoconference will be deemed attendance in person, and a sign-in card shall be facsimiled for his/her attendance.

2. A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6

A board meeting shall be held at the premises and during the business hours of the Company, and that shall not be limited to be held domestic; for business need, however, shall at a place and time convenient for all directors to attend and suitable for holding board meetings.

Article 7

1. Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called

and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

2. Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.
3. When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the chairperson shall appoint one of the directors to act; if no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair.

Article 8

1. When a board meeting is held, the Stock Affairs shall furnish the attending directors with relevant materials for ready reference.
2. When holding a meeting of the board of directors, the Company may, as necessary for the agenda items of the meeting, notify personnel, relevant departments or subsidiaries to attend the meeting as nonvoting participants. When necessary, certified public accountants, attorneys, or other professionals retained by this Company may also be invited to attend the meeting as non-voting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.
3. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 1.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9

1. Proceedings of a board meeting shall be recorded in their entirety in audio or video, and the recording shall be retained for a minimum of 5 years. The record may be retained in electronic form.
2. If any litigation arises with respect to a resolution of a board meeting before the end of the retention period of the preceding paragraph, the relevant audio or video record shall be retained until the conclusion of the litigation.
3. Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 10

Agenda items for regular board meetings of the Company shall include at least the following:

1. Report items:
 - a. Minutes of the last meeting and action taken.
 - b. Important financial and business matters.
 - c. Internal audit activities.
 - d. Other important matters to be reported.
2. Matters for discussion:
 - a. Items for continued discussion from the last meeting.
 - b. Items for discussion at this meeting.
 - c. Extraordinary motions.
3. Extraordinary motions.

Article 11

1. A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.
2. The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.
3. At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.

Article 12

The following items shall be submitted for discussion by the board of directors:

1. The Company's business plan.
2. Annual financial reports with signature or seal of the chairman, managerial officer and accounting supervisor, and the second quarter financial reports with CPA audited and attested.
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the calculation.

At least one independent director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the board of directors under paragraph 1, each independent director shall attend in person; if an independent director is unable to attend in person, he or she shall appoint another independent director to attend as his or her proxy. If an independent director expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Article 13

1. After an attending director has spoken, the chair may respond in person or direct relevant personnel to respond or other professionals in attendance to offer relevant necessary information.
Any matter such as a repeating speaking on the same proposal or exceeds the scope of the agenda item, that affects other directors speak or interferes the meeting progress, the chair may terminate the speech.
2. When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.
3. When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote. "Attending directors," as used in the preceding paragraph, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.
4. One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:
 - a. A show of hands or vote by voting machine.
 - b. A roll call vote.
 - c. A vote by ballot.
 - d. A vote by a method selected at the Company's discretion.

Article 14

1. Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.
2. When there is an amendment or alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.
3. If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.
4. Voting results shall be made known on-site immediately and recorded in writing.

Article 15

A director or a juristic person, shall recuse himself or herself from the discussion of the agenda items or the voting on the item, and may not exercise voting rights as proxy for another director, when the following items are under deliberation:

1. If a director or a juristic person that the director represents is an interested party, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion or voting on that agenda item
2. The director shall recuse himself or herself.
3. The director is required to recuse himself or herself made by the resolution at a board meeting.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

Where a director is prohibited by the preceding two paragraphs from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the

same Act.

Article 16

Discussions at a board meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

1. The meeting session (or year) and the time and place of the meeting.
2. The name of the chair.
3. The directors' attendance at the meeting, including the names and the number of directors in attendance, excused, and absent.
4. The names and titles of those attending the meeting as non-voting participants.
5. The name of the minute taker.
6. The matters reported at the meeting.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

1. Any objection or expression of reservations by an independent director expresses of which there is a record or written statement.
2. A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of the preceding paragraph may be produced and distributed in electronic form.

Article 17

With the exception of matters required to be discussed at a board meeting under Article 12, paragraph 1, when the board of directors appoints a party to exercise the powers of the board in accordance with applicable laws and regulations or the Company's articles of incorporation, the levels of such delegation and the content or matters it covers shall be definite and specific, and carried out in accordance with the principles below:

1. Approval of each material contracts.
2. Approval of real estate mortgage loans and other loans.
3. Appointment of directors and supervisors for reinvestment companies.
4. Approval of record date of capital increase or reduction and cash dividend allocation.

Article 18

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting.

Article 19

The first Amendment on January 23, 2002

The second Amendment on February 14, 2003

The third Amendment on March 18, 2004

The fourth Amendment on December 6, 2006

The fifth Amendment on March 28, 2008

The sixth Amendment on March 25, 2010

The seventh Amendment on March 29, 2012

The eighth Amendment on December 27, 2012

The ninth Amendment on March 29, 2018

The tenth Amendment on March 27, 2020

The eleventh Amendment on November 11, 2020

【Appendix 2】

Channel Well Technology Co., Ltd. Rules of Procedure for Shareholders' Meetings

Article 1

Basis of establishing

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 6 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.

Article 3

Convening shareholders meetings and shareholders meeting notices.

- (1) Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
- (2) The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting. In addition, 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
- (3) The time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention shall be specified in shareholders meeting notices.
- (4) The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- (5) Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Act 26-1 and Act 43-6 of the Securities Exchange Law, Act 56-1 and Act 60-2 of Regulations Governing the Offering and Issuance of Securities by Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

- (6) Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
- (7) A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Provided a shareholder proposal for urging the Company to promote public interests or fulfill its social responsibilities may be submitted complying with the procedure of one limited item in accordance with the relevant provisions of Article 172-1 of the Company Act. No proposal containing more than one item will be included.
- (8) Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
- (9) Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
- (10) Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4

Proxy for attending shareholders meetings and its cancellation.

- (1) For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- (2) A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.
- (3) After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5

Principles determining the time and place of a shareholders meeting.

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Article 6

Preparation of documents such as the attendance book.

- (1) Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- (2) The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- (3) The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
- (4) When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7

The chair and non-voting participants of a shareholders meeting.

- (1) If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair; where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
- (2) It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
- (3) If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- (4) The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

Documentation of a shareholders meeting by audio or video.

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9

Calculation of number of shares in attendance at shareholders meetings and call the meeting to order.

- (1) Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- (2) The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented

by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

- (3) If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.
- (4) When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

Discussion of proposals.

- (1) If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
- (2) The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.
- (3) The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- (4) The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11

Shareholder speech.

- (1) Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
- (2) A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- (3) Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- (4) When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- (5) When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same

proposal.

- (6) After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12

Calculation of voting shares and recusal system.

- (1) Voting at a shareholders meeting shall be calculated based the number of shares.
- (2) With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

- (3) With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

Voting on a proposal, vote monitoring and counting method.

- (1) A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
- (2) When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
- (3) A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
- (4) After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

- (5) Except as otherwise provided in the Company Act and in the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- (6) When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- (7) Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
- (8) Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14

Election of directors.

- (1) The election of directors at a shareholders meeting shall be held in accordance with the applicable Procedures for Election of Directors adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected and the names of directors and supervisors not elected and number of votes they received.
- (2) The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Meeting minutes and signed matters.

- (1) Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes by means of a public announcement made through the MOPS.
- (2) The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.
- (3) The resolutions of a shareholders meeting referred to in the preceding two paragraph, for each proposal shall follow by a poll of the shareholders, and the results for each proposal shall be recorded in the meeting minutes.

Article 16

Public disclosure.

- (1) On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

- (2) If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Company (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

Maintaining order at the meeting place.

- (1) Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- (2) The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- (3) At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
- (4) When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

Recess and resumption of a shareholders meeting.

- (1) When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- (2) If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
- (3) A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 20

The first Amendment on May 28, 2001.

The second Amendment on January 23, 2002.

The third Amendment on March 18, 2004.

The fourth Amendment on March 29, 2012.

The fifth Amendment on March 27, 2013.

The sixth Amendment on June 10, 2015.

The seventh Amendment on June 26, 2017.

The eighth Amendment on June 27, 2018.

The ninth Amendment on June 24, 2020.

The tenth and eleventh Amendments on August 3, 2021.

【Appendix 3】

Channel Well Technology Co., Ltd. Articles of Incorporation

Chapter 1 General Provisions

- Article 1 : The Company shall be incorporated, as a company limited by shares, under the Company Act, and its name shall be 僑威科技股份有限公司 in the Chinese language, and CHANNEL WELL TECHNOLOGY CO., LTD. in the English language.
- Article 2 : The business of the Corporation shall be as follows:
1. CB01010 Mechanical Equipment Manufacturing
 2. CC01080 Electronics Components Manufacturing
 3. CC01110 Computer and Peripheral Equipment Manufacturing
 4. CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
 5. F401010 International Trade
 6. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
 7. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 : The Company may provide endorsement and guarantee in accordance with the procedures for endorsements and guarantees of the Company.
- Article 2-2 : The Company may reinvest other companies due to business needs. The total amount of the Company's reinvestment shall not be subject to the restriction as provided in Article 13 of the Company Act.
- Article 3 : The Company shall have its head office in Taoyuan City, and shall be free, upon approval of the resolutions of the Board of Directors and approval of government authorities in charge, to set up branch offices at various locations within and without the territory of the Republic of China.
- Article 4 : Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Capital Stock

- Article 5 : The total capital stock of the Company shall be in the amount of 2,500,000,000 New Taiwan Dollars, divided into 250,000,000 shares, at ten New Taiwan Dollars, and may be paid-up in installments by the Board of Directors which is authorized.
A total of NT\$100,000,000 among the above total capital should be reserved for issuing employee stock options, divided into 10,000,000 shares, at ten New Taiwan Dollars, and may be paid-in installments by the resolution of the Board of Directors.
- Article 5-1 : The Company which buys back its shares and assigns or transfers those shares to its employees in accordance with Article 167-1 or other laws may restrain such shares from being assigned or transferred to others within a specific period of time which shall in no case be longer than two years.
- Article 6 : For the shares to be issued by the Company may be exempted from printing any share certificate, but shall safeguard or register the issued shares with a centralized securities depository enterprise.
- Article 7 : Alteration / transfer of shares shall not be set up within 60 days prior to the convening date of a regular shareholders' meeting, within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders' Meetings

Article 8 : Shareholders' meetings of the Corporation are of two types, as follows:

1. Regular meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year.
2. Special meetings shall be convened when necessary, in accordance with the relevant rules and regulations of the Republic of China.

The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 9 : Resolutions at a shareholders' meeting shall, unless otherwise provided for in the relevant rules and regulations of the Republic of China, be adopted by a majority vote of the shareholders present in person or by proxy, who represent more than one-half of the total number of voting shares.

Article 10 : A shareholder shall have one voting power in respect of each share in his/her/its possession. The shares shall have no voting power under circumstances in accordance with Article 179, are excluded.

Article 11 : If a shareholder is unable to attend a meeting, he/she may appoint a representative to attend it on his/her behalf with the rights written in the power of attorney printed by the Company. The representative shall follow "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority unless specified otherwise by Article 177 of the Company Act.

Chapter 4 Directors

Article 12 : The Company shall have seven to eleven Directors with a 3-year term of office, who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The percentage of shareholdings of all the directors selected of the Company complies to the provisions prescribed by the competent authority in charge of securities affairs.

Article 12-1 : The term "seven to eleven Directors" in the preceding Article shall have not less than three independent directors from among them and not less than one-fifth of directors. The candidates nomination system is adopted for election of directors (including independent directors) of the Company, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates.

Regarding independent directors professional qualifications, shareholdings, part-time restrictions, nominations and election method, and other matters for compliance, shall comply with the Company Act and the competent authority in charge of securities affairs.

Article 12-2 : In compliance with Articles 14-4 of the ROC Securities and Exchange Law, the Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, Securities and Exchange Law and other relevant regulations.

Article 13 : The Board of Directors is organized by Directors, and the Directors shall elect from among themselves a Chairman of the Board of Directors by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Company.

Article 13-1 : In calling a meeting of the board of directors of the Company, a notice shall set forth therein the subject(s) to be discussed at the meeting, which shall be given to each director no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the Board of Directors may be convened at any time. The notice set forth in the preceding Paragraph may be effected by means of electronic transmission or facsimile.

- Article 14 : When the Chairman of the Board of Directors is on leave or for any reason unable to exercise the powers, the chairman of the board of directors shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.
- Article 15 : When a Director is unable to attend any meeting of Board of Directors, who may appoint another Director to attend on his/her behalf in accordance with relevant laws, for any reason the Chairman of the Board of Directors cannot preside at the Meeting. A director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other director only. Other provisions are applicable to the Company Act.
- Article 15-1 : In case that vacancies on the Board of Directors exceed one third of the total number of the Directors or all Independent Directors are discharged, the Board of Directors shall, within 60 days, convene a shareholders' meeting to elect new directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new directors across the board, the new Directors shall serve the remaining term of the predecessors.
- Article 16 : (Deleted)
- Article 17 : (Deleted)
- Article 17-1 : The Board of Directors is authorized to determine the salary of the Directors of the Company, assessed and agreed by the Company's Remuneration Committee, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry.

Chapter 5 Managerial Personnel

- Article 18 : The Company may have one or more managerial personnel. Appointment, discharge and the remuneration of the managerial personnel shall be decided in accordance with the provisions provided in Article 29 of the Company Act.

Chapter 6 Accounting

- Article 19 : The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year. At the close of each fiscal year, final accounts shall be processed, after that, according to the Company Act, the following reports shall be prepared by the Board of Directors, and submitted to the regular shareholders' meeting for acceptance:
1. the Business Report;
 2. the Financial Statements;
 3. the surplus earning distribution or loss off-setting proposals.
- Article 20 : (Deleted)
- Article 21 : When there is profit for each fiscal year, the Corporation shall set aside not less than 2% employees' compensation and not more than 3% as bonus to directors. The profit shall be reserved for the Corporation's accumulated losses, and the distribution of employees' compensation and bonus to directors and supervisors shall be set aside by ratio in the preceding subparagraph.
- The aforementioned employees' compensation may be distributed in the form of shares or cash, and the conditions and distribution method for the qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements, shall be determined by authorizing the board of directors. Bonus to directors may be distributed in the form of cash only.
- The preceding two paragraphs shall be resolved by the board of directors, and submitted to the shareholders' meetings.
- Article 21-1 : When there is profit for each fiscal year, the Company shall set aside 10% of said profits as legal reserve after having paid all taxes and dues and accumulated losses been covered. Where such legal reserve amounts to the total paid-in capital, this provision

shall not apply. The rest shall be set aside in accordance with the laws and regulations or as reversal of special reserve. If there is a balance left, combined accumulated unappropriated earnings, the surplus earning distribution proposal shall be submitted by the Board of Directors, and the resolution of cash dividend distribution for shareholders shall be made by the shareholders' meeting.

The terms profits, legal reserve, capital reserve as used in this Article to be distributed in the form of cash, shall be handled by authorizing the board of directors for a resolution and submitted to the shareholders' meetings in accordance with Articles 240 and 241 of the Company Act.

Article 21-2 : This Company dividend policy is implemented current and future developing programs, taking into consideration of investment environment, capital demand, domestic and international competition and shareholders' interest. Each year, the Board of Directors shall prepare the proposal of surplus earning distribution and report to the shareholders meetings, in accordance with the relevant laws, rules, and regulations. Dividends to shareholders shall be allocated from the accumulated distributable profits, and of that, shall not less than 10% of the distributable profits at the same year. When the accumulated profits distributable is lower than 20% of the total capital, the profits shall not be distributed. Profits of the Company may be distributed by way of cash dividend and/or stock dividend, provided however, the ratio for cash dividend shall not lower than 15% of total distribution.

Chapter 7 Supplementary Provisions

Article 22 : In regard to all matters not provided for in these Articles of Incorporation, the Company Act and relevant laws, rules and regulations shall govern.

Article 23 : These Articles of Incorporation are drawn up on September 25, 1993.

The first Amendment on June 25, 1996.

The second Amendment on September 6, 1996

The third Amendment on November 11, 1998.

The fourth Amendment on November 29, 1998.

The fifth Amendment on April 15, 1999.

The sixth Amendment on November 3, 1999.

The seventh Amendment on December 6, 1999.

The eighth Amendment on April 15, 2000.

The ninth Amendment on January 3, 2001.

The tenth Amendment on May 28, 2001.

The eleventh Amendment on March 29, 2002.

The twelfth Amendment on June 27, 2003

The thirteenth Amendment on June 24, 2004.

The fourteenth Amendment on May 18, 2005.

The fifteenth Amendment on May 18, 2005.

The sixteenth Amendment on June 26, 2006.

The seventeenth Amendment on June 27, 2007.

The eighteenth Amendment on June 25, 2008.

The nineteenth Amendment on June 25, 2010.

The twentieth Amendment on June 19, 2012.

The twenty-first Amendment on June 10, 2015.

The twenty-second Amendment on June 22, 2016.

The twenty-third Amendment on June 26, 2017.

The twenty-fourth Amendment on June 27, 2018.

The twenty-fifth Amendment on June 24, 2020.

The twenty-sixth Amendment on June 29, 2022.

【 Appendix 4 】

Channel Well Technology Co., Ltd. Rules for Election of Directors

Article 1

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

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

Article 3

The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skill: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- (1) The ability to make judgments about operations.
- (2) Accounting and financial analysis ability.
- (3) Business management ability.
- (4) Crisis management ability.
- (5) Knowledge of the industry.
- (6) An international market perspective.
- (7) Leadership ability.
- (8) Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.

Article 4 (Deleted)

Article 5

The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 6

Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

Article 7

The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers elected.

Article 8

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 9

The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 10

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 11 (Deleted)

Article 12

A ballot is invalid under any of the following circumstances:

- (1) The ballot was not prepared by a person with the right to convene.
- (2) A blank ballot is placed in the ballot box.
- (3) The writing is unclear and indecipherable or has been altered.
- (4) The candidate whose name is entered in the ballot does not conform to the director candidate list.
- (5) Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.

Article 13

The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair or the designated person on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 14

The board of directors of the Company shall issue notifications to the persons elected as directors.

Article 15

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

Article 16

The first Amendment on December 13, 2000.

The second Amendment on January 23, 2002.

The third Amendment on March 8, 2004.

The fourth Amendment on April 12, 2007.

The fifth Amendment on March 29, 2012.

The sixth Amendment on June 10, 2015.

The seventh Amendment on June 27, 2018.

The eighth Amendment on August 3, 2021.

【Appendix 5】

Shareholdings of All Directors

April 29, 2023

Title	Name	As of the closing date shareholdings in the shareholder roster (share)
Chairman	Xuan He Investment Co., Ltd. Representative: Jun-Wei Pan	21,727,369
Director	Shang Qing Investment Co., Ltd.	940,000
Director	Hao Sheng International Investment Co., Ltd.	333,000
Director	Jing Fu Investment Co., Ltd.	5,000
Director	Jian-Dong Wu	746,075
Director	Zhu-Tao Wu	0
Independent Director	Dong-Rong Huang	0
Independent Director	Cong-Long Zhu	0
Total of Shareholdings of All Directors		23,751,444

1. As of April 29, 2023, the total paid-in capital of the Company is \$2,273,910,640 (227,391,064 shares).
2. The total statutory shareholdings held by the entire Directors of the Company are 12,000,000 shares, as of the closing date, April 29, 2023, total shareholdings held by the entire Directors are 23,188,444 shares.
3. The Company has established an Audit Committee, the minimum shareholding requirements for supervisors do not apply.

【 Appendix 6】

Effect upon Business Performance and Earnings per Share of any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meetings

The shareholders' meeting does not propose for stock dividend issuance. According to “Regulations Governing the Publication of Financial Forecasts of Public Companies”, the Company does not publicly disclose 2023 financial forecast. Hence, there is no need to disclose information on annual estimation.

【Appendix 7】

Other Explanatory Items

1. Proposal and nomination submitted at the shareholders meetings

- (1) In accordance with Article 172-1 and Article 192-1 of the Company Act, any shareholder holding 1% or more of the total number of outstanding shares issued by the Company may submit to the company in writing proposals and nominations.
- (2) The number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words (including punctuation), and any proposal containing more than 300 words shall not be included in the agenda of the shareholders' meeting.
- (3) Where the number of independent director candidates nominated exceeds the quota of the directors to be elected, in accordance with Article 5, paragraph 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies set forth in Article 192-1 of the Company Act, the entire roster of independent director nominated shall be null and void.
- (4) The period for shareholders to submit proposals and nominations in this regular shareholders' meeting is from April 17, 2023 to April 27, 2023 at 16:00pm., and has been publicly announced on the MOPS pursuant to law.
- (5) During the above-mentioned period, no shareholder holding more than 1% of the total issued shares of the company has submitted a written proposal or nomination to the company.