

CSBC CORPORATION, TAIWAN
Handbook for the 2023 Annual Meeting of
Shareholders

MEETING TIME: JUNE 28, 2023

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2023 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF CSBC CORPORATION, TAIWAN. (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN

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CSBC CORPORATION,TAIWAN

Procedure for the 2023 Annual Meeting of Shareholders

Call the Meeting to Order

Chairperson Remarks

Management Presentation (Company Reports)

Proposals

Discussion

Questions and Motions

Adjournment

CSBC CORPORATION,TAIWAN
Year 2023
Agenda of Annual Meeting of Shareholders

Time: 10:00 a.m. on Wednesday, June 28,2028

Place:The Auditorium in CSBC,TAIWAN
(No.3,Jhonggang Road,Siaogang District,Kaohsiung,Taiwan,R.O.C)

Meeting method:Physical meeting

Call the Meeting to Order.

Chairperson Remarks

Management Presentations

1. 2022Annual Business Report.
2. 2022 Annual Final Report of Audit Committee.
3. 2022Annual Remuneration Distribution Report of Employees and Directors.
4. The "2022 and 2023 Sustainable Development Responsibility Strategic Action Plan Implementation and Planning" report.

Proposals

1. Ratification of 2022 business report and financial statements.
2. Ratification of the Proposal for 2022 Deficit Compensation..

Discussion

1. Amendment to the Company ARTICLES OF INCORPORATION.
2. Amendment to the "Rules of procedure for shareholders' meetings".

Questions and Motions

Adjournment

Management Presentations

Report No. 1

2022 Annual Business Report

Explanation:

The 2022 Annual Business Report is attached as pp.11~13, Annex 1.

Report No. 2

2022 Annual Final Report of Audit Committee

Explanation:

The 2022 Annual Final Report of Audit Committee is attached as pp.14, Annex 2.

Report No. 3

2022 Annual Remuneration Distribution Report of Employees and Directors

Explanation:

The pre-tax loss of the Company for 2022 is NT\$3,526,768,000, the employee bonus and directors' remuneration for 2022 will not be distributed in accordance with the provisions of Article 35 of the Articles of Association of the Company.

Report No. 4

The "2022 and 2023 Sustainable Development Strategic Action Plan Implementation and Planning" report.

Explanation:

1. In accordance with Article 5 of Chapter 1 of "TWSE/GTSM Best Practice Principles for Sustainable Development of Listed Companies" and the company's "Sustainable Development Principles".
2. The company's "Sustainable Development Principles" is attached as PP.38~55, Annex 5

Proposals

Proposed by the Board

1. Proposal:

Ratification of 2022 business report and financial statements

Explanation:

CSBC CORPORATION, TAIWAN's Business Report and Financial Statements have been duly audited by the PRICEWATERHOUSECOOPERS Taiwan (RwC Taiwan) and have been examined by the audit committees. (Please refer to pp. 11~13 annex 1 and pp. 15~36 annex 3 of the Handbook)

Resolution:

Proposed by the Board

2. Proposal:

Ratification of the Proposal for 2022 Deficit Compensation.

Explanation:

- 1.The initial balance of accumulated deficit of the Company is NT\$0, minus difference between consideration and carrying amount of subsidiaries acquired or disposed NT\$16,630,257 ,plus other comprehensive income of 2022 NT\$ 116,124,553, and minus the net loss of 2022 NT\$ 3,526,767,802, the accumulated deficit is NT\$ 3,427,273,506.After offsetting by capital surplus NT\$ 555,841,174,the balance of accumulated deficit at the end of 2022 is NT\$ 2,871,432,332.
- 2.Because of the accumulated deficit NT\$2,871,432,332, It's proposed not to distribute dividends.
- 3.Please approve the proposal of 2022 Deficit Compensation, Deficit Compensation Statement refer to pp.37 of Annex 4.

Resolution:

Discussion

Proposed by the Board

1.Proposal:

Amendment to the Company ARTICLES OF INCORPORATION.

Explanation:

This case aims to improve the financial structure, respond to subsequent business needs, support capital expenditures, and strengthen the group's business development by increasing the total registered capital, followed by supplementary financial improvements, so as to facilitate the company's continuous completion of national defense independent policy tasks and stable business development. Please refer to the amended articles in pp.56 of Annex 6.

Resolution:

Proposed by the Board

2.Proposal:

Amendment to the "Rules of procedure for shareholders' meetings".

Explanation:

Considering that if the company holds a purely video-only general meeting of shareholders, shareholders can only participate in the general meeting of shareholders through video, and there are more restrictions on shareholders' rights and interests. The Company refer to the "Examples of Rules of Procedures for Shareholders' Meetings of ○○ Company" by the TWSE revise and announcement on 2023.3.17, adding provisions specifying the supporting measures for the company to hold a video conference of shareholders. Please refer to the amended articles in pp.57~59 of Annex 7.

Resolution:

Questions and Motions

ANNEX

Annex 1

2022 Business Report

Dear Shareholders,

Thank you for attending the year's regular shareholders meeting of the company during the busy schedule. I would like to report to you about the company's business results for 2022 and a summary of the business plan for 2023.

1. The status of the global shipbuilding industry in 2022

After the sea freight has experienced a boom period, since the second half of 2022, the market growth has begun to slow down. With a decline in sea freight demand and the rapid growth of shipping capacity, shipping costs and vessel rents of sea freight have fallen. Although some shipping companies have started to lower their shipping capacity, this measure is not much help in balancing market supply and demand since many shipping companies have ordered a large number of new ships in the late stage of the covid-19 epidemic. Most new ships were built already and delivered to shipping companies. According to statistics, the capacity of container ships will increase by 25% in the next three years, and this would lead to a serious overcapacity. Moreover, the decrease in sea freight demand, the entire shipping industry would face a stage of recession, and it also means that the era of high profitability for shipping companies has ended.

In the shipbuilding market, according to statistics from Clarkson Research, in 2022, the worldwide new shipbuilding orders signed is about 42.79 million CGT, a decrease of 10.9% compared with 2021. As of the end of December 2022, the global shipbuilding orders are 106 million CGT, an increasing of 38.4% than last year. The overall new shipbuilding market is still dominated by LNG carriers, container ships and bulk carriers. LNG is obviously increasing both in market share and shipping demand.

Although the shipping industry did not have good performance in 2022, the shipbuilding industry will still achieve good results under various pressures. The main factor is that the shipbuilding industry has a delay compared with the shipping industry. Therefore, the company will continue to pay attention to changes in the shipbuilding market.

2. Operating Performance in 2022

(1) Consolidated financial results.

Unit: Thousand NT\$

Item	2021	2022	Compared with 2021(%)
Operating income	19,113,429	21,994,050	15.07%
Gross Profit (loss)	555,219	-3,096,764	-657.76%
Operating profit	-2,914	-3,758,339	-128,875.26%
Pre-Tax Income	10,315	-3,542,337	-34,441.61%
Net profit (loss)	9,553	-3,548,488	-37,245.27%

The operating income of the company in 2022 was NT\$21.994 billion, and the gross operating loss was 3.097 billion. The net loss for the current period was 3.548 billion, which was a increase of 3.558 billion in loss compared to 2021. The main reason for the loss is that the ships currently under construction are very difficult to engineering, and the cost of raw materials, equipment, and labor has risen sharply, resulting in huge losses.

(2) Orders in hand

1. New ship and marine engineering orders

As of the end of December 2022, there are 10 commercial ships (10 in Kaohsiung) and 14 warships and official ships (6 in Kaohsiung and 8 in Keelung) in hand. The delivery schedule of Kaohsiung shipyard orders are by November 2025, and the Keelung shipyard by October 2027. For marine engineering, there are 63 pin piles for Hai-Long offshore wind project. For mechanical engineering, there are 26 petrochemical storage tanks for CPC.

2. Completion and delivery

In 2022, no commercial ships were completed and delivered. And for official ship, 4 ships were completed and delivered at the Kaohsiung shipyard and 5 ships were completed and delivered at the Keelung shipyard.

(3) Major investment

The projects in the implementation of the 2022 fixed assets project investment plan include the "Investment Plan for the Kaohsiung Plant's 350-ton GOC Crane Replacement Project", the "Kaohsiung shipyard Multi-purpose Steel Structure Production Line Project Investment Plan", the "Investment Plan for the Important Equipment Factory of the National Ship", the "Purchase a large anchor tugboat", and the " Energy storage system construction project ".

3. Business Plan for 2023

Although gradually COVID-19 epidemic lifting lockdowns brings economy

and freight growing, Ukrainian-Russian War and climate change causes food shortages and high energy costs instead. Furthermore, the US and some Democratic countries imposed economic sanctions against Russia, and most countries' lift rates policy bring many variables to the shipping and shipbuilding industry.

The continuous deterioration of the global inflation problem has caused the prices of raw materials and equipment to rise, as well as the shortage of workers in the post-epidemic era, which has led to the continuous increase of the company's material and labor costs, which has seriously decrease profits.

In view of this, the company continues to implement the enterprise transformation plan, and at the same time implements a number of operational improvements plans and continues to implement the EP-10 improvement plan, in order to optimize the company's operating conditions.

Looking forward to 2023, despite the downward trend in the commercial ship market, CSBC has the technical advantages of energy-saving and smart ships, and has experience in building marine engineering ships, which will help to contract the niche "commercial ship" business. In addition, CSBC has recently been actively rushing to build warships to strengthen Taiwan's military power. As the same time, the Pin Pile business of offshore wind turbines has been restarted and it has cooperated with Taiwan University to invest in the construction the platforms of floating wind power, etc., which will help CSBC's business development and advancement.

Although the operation in 2023 is still quite difficult, CSBC will follow the strategic goals and move forward. In the future, depending on the market development situation and national policies, CSBC will adjust the operation direction in a timely manner and actively move towards turning losses into profits.

Best wishes for everyone.

Good health and good luck!

CSBC Corporation, Taiwan
Chairman CHENG, WEN-LON

Annex 2

Audit Committee's Review report

This proposal is the presentation by the Board of Directors of the Company's 2022 Business Report, Financial Statements, and the Deficit Compensation Proposal. Of these items, the Financial Statements have been audited by external auditors of PricewaterhouseCoopers(PwC) Taiwan, and an opinion and report have been issued on the Financial Statements. The aforementioned proposal regarding Business Report, Financial Statements, and the Deficit Compensation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulations in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:

2023 General Shareholders' Meeting of CSBC Corporation.

CSBC CORPORATION,TAIWAN

Audit Committee Convenor: LIEU, DER-MING

March 10, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000519

To the Board of Directors and Shareholders of CSBC CORPORATION, TAIWAN

Opinion

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

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

Key audit matters

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

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Accounting estimates and assumptions for total cost of construction contracts

Description

Please refer to Note 4(30) for a description of the accounting policy on construction contracts. Please refer to Note 5 for critical accounting estimates and assumptions for total cost of construction contracts.

The Company is engaged in the business of designing and building of various ships and cruisers. Assumptions for estimated construction cost include cost for equipment, material, labor and etc. Data used for assumptions involves subjective judgement and accounting estimates and are highly uncertain. As a result, assumptions used are material to the total construction cost and further affects the calculation of construction profit.

As the data used for assumptions involves subjective judgement and accounting estimates are highly uncertain, this may affect the completeness and relevant assertions. Considering that the estimated total cost of construction contracts is material to the financial statements, therefore, we assessed that these accounting estimates and assumptions as one of the key audit matters for this year.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Assessing the effectiveness of CSBC Company's internal control regarding the estimation process of total cost of construction contract. This includes:
 - (1) Whether the data used by management for estimates and assumptions is complete, relevant and accurate.
 - (2) Whether accounting estimates and assumptions have been reviewed and approved by proper management level.
 - (3) Whether the segregation of duties is appropriate.
2. Obtaining the Estimate at Completion Reports, selecting sample reports and verifying the accuracy, completeness and relevance of the data that was used for assumptions and estimations. Checking whether the use of estimates and assumptions in the Estimate at Completion Reports are appropriate.
3. Comparing cost at completion for the same or similar ships and then assessing the reasonableness of the Estimate at Completion Report.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Wang, Kuo-Hua

Wu, Chien-Chih

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2023

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

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

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

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,252,256	5	\$ 2,597,123	6
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	21,044	-
1136	Current financial assets at amortised cost	6(3) and 8	15,441	-	16,841	-
1140	Current contract assets	6(22)(26) and 7	4,226,237	9	2,780,143	6
1170	Accounts receivable, net	6(4)(22)	1,219,543	3	1,972,696	5
1180	Accounts receivable - related parties	6(4)(22) and 7	83,873	-	46,250	-
1200	Other receivables		8,159	-	10,063	-
1210	Other receivables - related parties	7	130,042	-	158	-
130X	Inventories	6(5)(22)	5,508,042	12	2,827,237	6
1410	Prepayments	6(6) and 7	12,690,526	28	13,248,776	31
1479	Other current assets, others		18,044	-	922	-
11XX	Current Assets		26,152,163	57	23,521,253	54
Non-current assets						
1550	Investments accounted for under equity method	6(7) and 7	1,668,442	4	1,685,071	4
1600	Property, plant and equipment	6(8) and 7	12,983,367	28	12,815,078	30
1755	Right-of-use assets	6(9)	3,150,472	7	3,399,266	8
1760	Investment property - net	6(10)(11)	211,559	-	212,239	-
1780	Intangible assets	6(12)	34,774	-	36,473	-
1840	Deferred income tax assets	6(32)	1,493,482	3	1,522,513	4
1920	Guarantee deposits paid		238,691	1	162,918	-
1975	Net defined benefit asset, non-current	6(20)	131,397	-	11,403	-
15XX	Non-current assets		19,912,184	43	19,844,961	46
1XXX	Total assets		\$ 46,064,347	100	\$ 43,366,214	100

(Continued)

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

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 7,004,580	15	\$ 2,795,834	6
2110	Short-term notes and bills payable	6(14)	3,598,654	8	3,599,104	8
2130	Current contract liabilities	6(22)(26) and 7	7,687,010	17	10,359,590	24
2150	Notes payable	6(22)	-	-	32,400	-
2170	Accounts payable	6(22)	1,171,291	3	881,832	2
2180	Accounts payable - related parties	6(22) and 7	11,200	-	6,151	-
2200	Other payables	6(15)	1,126,343	2	1,179,657	3
2250	Provisions for liabilities - current	6(16)(22)	1,144,469	2	1,011,981	2
2280	Current lease liabilities	6(9)	269,504	1	273,379	1
2310	Advance receipts		91,022	-	14,590	-
21XX	Current Liabilities		22,104,073	48	20,154,518	46
Non-current liabilities						
2500	Non-current financial liabilities at fair value through profit or loss	6(2)(17)	15,896	-	7,045	-
2530	Bonds payable	6(17)	1,775,013	4	1,760,726	4
2540	Long-term borrowings	6(18)	6,995,805	15	2,548,831	6
2570	Deferred income tax liabilities	6(32)	1,324,697	3	1,324,697	3
2580	Non-current lease liabilities	6(9)	2,947,811	6	3,180,811	7
2610	Long-term notes and accounts payable	6(19)	717,121	2	705,134	2
2630	Long-term deferred revenue	6(19)	125,238	-	181,604	-
2645	Guarantee deposits received		247,340	1	257,669	1
2670	Other non-current liabilities, others		1,405	-	7,957	-
25XX	Non-current liabilities		14,150,326	31	9,974,474	23
2XXX	Total Liabilities		36,254,399	79	30,128,992	69
Equity						
Share capital						
3110	Share capital - common stock	6(21)(23) and 7	9,317,873	20	9,317,873	22
Capital surplus						
3200	Capital surplus	6(17)(24)	752,878	1	3,692,913	9
Retained earnings						
3320	Special reserve	6(25)	3,166,471	7	3,166,471	7
3350	Accumulated deficit		(3,427,274)	(7)	(2,940,035)	(7)
3XXX	Total equity		9,809,948	21	13,237,222	31
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		\$ 46,064,347	100	\$ 43,366,214	100

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

CSBC CORPORATION, TAIWAN
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings (losses) per share amount)

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(26) and 7		\$ 21,751,274	100	\$ 18,851,761	100
5000 Operating costs	6(5)(12)(30)(31) and 7		(24,907,511)	(115)	(18,309,359)	(97)
5900 Net operating margin			(3,156,237)	(15)	542,402	3
Operating expenses	6(30)(31)					
6100 Selling expenses			(60,752)	-	(62,572)	-
6200 General and administrative expenses			(337,492)	(2)	(345,941)	(2)
6300 Research and development expenses			(109,870)	-	(116,810)	(1)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)		(21,444)	-	(7,008)	-
6000 Total operating expenses			(529,558)	(2)	(532,331)	(3)
6900 Operating (loss) profit			(3,685,795)	(17)	10,071	-
Non-operating income and expenses						
7100 Interest income	7		19,712	-	1,196	-
7010 Other income	6(10)(19)(27)		111,442	1	209,296	1
7020 Other gains and losses	6(28)		205,846	1	(63,183)	-
7050 Finance costs	6(8)(9)(19)(29)		(160,425)	(1)	(100,382)	(1)
7070 Share of loss of associates and joint ventures accounted for using equity method, net	6(7)		(17,548)	-	(43,800)	-
7000 Total non-operating income and expenses			159,027	1	3,127	-
7900 Profit (loss) before income tax			(3,526,768)	(16)	13,198	-
7950 Income tax (expense) benefit	6(32)		-	-	37	-
8200 Profit (loss) for the year			(\$ 3,526,768)	(16)	13,235	-
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 Other comprehensive income, before tax, actuarial gains (losses) on defined benefit plans	6(20)		\$ 145,156	-	\$ 40,933	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(32)		(29,031)	-	(8,187)	-
8300 Other comprehensive income for the year			\$ 116,125	-	\$ 32,746	-
8500 Total comprehensive (loss) income for the year			(\$ 3,410,643)	(16)	45,981	-
Basic earnings (losses) per share						
9750 Total basic earnings (losses) per share	6(33)		(\$ 3.78)		\$ 0.02	

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

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

	Notes	Share capital - common stock	Capital surplus	Retained Earnings		
				Special reserve	Accumulated deficit	Total equity
<u>2021</u>						
Balance at January 2021		\$ 4,730,555	\$ 97,071	\$ 3,166,471	(\$ 2,986,016)	\$ 5,008,081
Profit		-	-	-	13,235	13,235
Other comprehensive income		-	-	-	32,746	32,746
Total comprehensive income		-	-	-	45,981	45,981
Cash capital increase	6(23)(24) and 7	4,500,000	3,367,059	-	-	7,867,059
Share-based payments	6(21)(24) and 7	-	128,818	-	-	128,818
Conversion of convertible bonds	6(17)(23)(24)	87,318	99,965	-	-	187,283
Balance at December 31, 2021		\$ 9,317,873	\$ 3,692,913	\$ 3,166,471	(\$ 2,940,035)	\$ 13,237,222
<u>2022</u>						
Balance at January 2022		\$ 9,317,873	\$ 3,692,913	\$ 3,166,471	(\$ 2,940,035)	\$ 13,237,222
Loss		-	-	-	(3,526,768)	(3,526,768)
Other comprehensive income		-	-	-	116,125	116,125
Total comprehensive loss		-	-	-	(3,410,643)	(3,410,643)
Capital surplus used to offset accumulated deficit	6(24)(25)	-	(2,940,035)	-	2,940,035	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(7)	-	-	-	(16,631)	(16,631)
Balance at December 31, 2022		\$ 9,317,873	\$ 752,878	\$ 3,166,471	(\$ 3,427,274)	\$ 9,809,948

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

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

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		(\$ 3,526,768)	\$ 13,198
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss	12(2)	21,444	7,008
Depreciation of property, plant and equipment	6(8)(30)	650,897	650,135
Depreciation of right-of-use assets	6(9)(30)	246,262	246,496
Depreciation of investment property	6(11)	680	679
Amortization	6(12)(30)	20,148	12,125
Share of loss of investments accounted for using equity method	6(7)	17,548	43,800
Interest income		(19,712)	(1,196)
Government grant income	6(27)(29)(34)	(11,987)	(11,787)
Gain on valuation of financial assets and liabilities at fair value through profit or loss	6(28)	18,245	(19,055)
Loss on disposal of property, plant and equipment	6(28)	522	5,633
Interest expense	6(29)	160,425	100,382
Share-based payments	6(21)	-	128,818
Changes in operating assets and liabilities			
Changes in operating assets			
Loss on financial assets and liabilities at fair value through profit or loss - current		11,649	-
(Increase) decrease in current contract assets	(	1,459,788)	1,744,178
Decrease (increase) in accounts receivable		750,294	(810,651)
Increase in accounts receivable - related parties	(	38,006)	(25,939)
Decrease in other receivables		2,756	16,081
Decrease in other receivables - related parties		116	15,287
Increase in inventories	(	2,680,805)	(477,875)
Decrease (increase) in prepayments		558,250	(3,352,072)
(Increase) decrease in other current assets - other	(	17,122)	54
Decrease (increase) in net defined benefit asset-non-current		25,162	(11,403)
Changes in operating liabilities			
(Decrease) increase in current liabilities	(	2,672,580)	3,660,800
(Decrease) increase in notes payable	(	32,400)	24,300
Decrease in notes payable - related parties		-	(111,592)
Increase (decrease) in accounts payable		289,459	(608,735)
Increase (decrease) in accounts payable - related parties		5,049	(2,211)
Decrease in other payables	(	42,947)	(109,292)
Increase (decrease) in provisions - current		132,488	(276,697)
Increase (decrease) in receipts in advance		32,053	(5,870)
Increase in net defined benefit liability-non-current		-	37,532
Cash (outflow) inflow generated from operations	(	7,558,668)	882,131
Interest received		18,860	1,179
Interest paid	(	129,178)	(74,122)
Income tax paid		-	572
Net cash flows (used in) from operating activities	(	7,668,986)	809,760

(Continued)

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

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in other receivables - related parties (fund loan)		(\$ 130,000)	\$ -
Decrease (increase) in current financial assets at amortised cost		1,400	(16,841)
Acquisition of investments accounted for using equity method	6(7)	(17,550)	(495,000)
Cash payments for the purchase of property, plant and equipment	6(34)	(843,031)	(2,186,888)
Acquisition of intangible assets	6(12)	(18,449)	(27,253)
Increase in refundable deposits		(143,959)	(113,068)
Decrease in refundable deposits		68,186	3,233
Net cash flows used in investing activities		(1,083,403)	(2,835,817)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term loans	6(35)	4,208,746	(2,403,312)
Increase in short-term notes and bills payable	6(35)	-	900,000
Proceeds from long-term debt	6(35)	4,450,000	-
Repayments of long-term debt	6(35)	-	(2,650,000)
Repayments of principal portion of lease liabilities	6(35)	(234,343)	(231,920)
Increase in guarantee deposit received	6(35)	127,060	136,269
Decrease in guarantee deposit received	6(35)	(137,389)	(140,409)
Decrease in other non-current liabilities	6(35)	(6,552)	(12,171)
Cash capital increase	6(23)	-	7,867,059
Net cash flows from financing activities		8,407,522	3,465,516
Net (decrease) increase in cash and cash equivalents		(344,867)	1,439,459
Cash and cash equivalents at beginning of year	6(1)	2,597,123	1,157,664
Cash and cash equivalents at end of year	6(1)	\$ 2,252,256	\$ 2,597,123

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000504

To the Board of Directors and Shareholders of CSBC CORPORATION, TAIWAN

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Accounting estimates and assumptions for total cost of construction contracts

Description

Please refer to Note 4(31) for a description of the accounting policy on construction contracts. Please refer to Note 5 for critical accounting estimates and assumptions for total cost of construction contracts.

The Group is engaged in the business of designing and building of various ships and cruisers. Assumptions for estimated construction cost include cost for equipment, material, labor and etc. Data used for assumptions involves subjective judgement and accounting estimates and are highly uncertain. As a result, assumptions used are material to the total construction cost and further affects the calculation of construction profit.

As the data used for assumptions involves subjective judgement and accounting estimates are highly uncertain, this may affect the completeness and relevant assertions. Considering that the estimated total cost of construction contracts is material to the financial statements, therefore, we assessed that these accounting estimates and assumptions as one of the key audit matters for this year.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Assessing the effectiveness of CSBC Group's internal control regarding the estimation process of total cost of construction contract. This includes:
 - (1) Whether the data used by management for estimates and assumptions is complete, relevant and accurate.
 - (2) Whether accounting estimates and assumptions have been reviewed and approved by proper management level.
 - (3) Whether the segregation of duties is appropriate.
2. Obtaining the Estimate at Completion Reports, selecting sample reports and verifying the accuracy, completeness and relevance of the data that was used for assumptions and estimations. Checking whether the use of estimates and assumptions in the Estimate at Completion Reports are appropriate.
3. Comparing cost at completion for the same or similar ships and then assessing the reasonableness of the Estimate at Completion Report.

Other matter – Parent company only financial reports

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

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

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Wang, Kuo-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

March 10, 2023

Wu, Chien-Chih

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

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

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

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,460,846	5	\$ 2,731,884	6
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	21,044	-
1136	Current financial assets at amortised cost	6(3) and 8	17,862	-	16,841	-
1140	Current contract assets	6(22)(26) and 7	4,672,768	10	3,105,843	7
1170	Accounts receivable, net	6(4)(22) and 7	1,331,521	3	2,047,312	5
1200	Other receivables		9,447	-	10,628	-
1210	Other receivables - related parties	7	-	-	117	-
130X	Inventories	6(5)(22)	5,548,029	12	2,827,237	7
1410	Prepayments	6(6) and 7	12,710,110	27	13,272,237	30
1479	Other current assets, others		30,170	-	19,399	-
11XX	Current Assets		26,780,753	57	24,052,542	55
Non-current assets						
1535	Non-current financial assets at amortised cost	6(3) and 8	1,259	-	-	-
1550	Investments accounted for under equity method	6(7)(35) and 7	1,437,395	3	1,466,880	3
1600	Property, plant and equipment	6(8)	13,049,687	28	12,848,497	29
1755	Right-of-use assets	6(9)	3,150,472	7	3,399,477	8
1760	Investment property - net	6(10)(11)	211,559	1	212,239	1
1780	Intangible assets	6(12)	53,606	-	39,426	-
1840	Deferred income tax assets	6(32)	1,496,828	3	1,523,988	4
1920	Guarantee deposits paid		325,168	1	167,059	-
1975	Net defined benefit asset, non-current	6(20)	131,397	-	11,403	-
15XX	Non-current assets		19,857,371	43	19,668,969	45
1XXX	Total assets		\$ 46,638,124	100	\$ 43,721,511	100

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

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(13)	\$ 7,174,580	15	\$ 2,875,834	7
2110	Short-term notes and bills payable	6(14)	3,648,608	8	3,599,104	8
2130	Current contract liabilities	6(22)(26) and 7	7,688,807	17	10,387,846	24
2150	Notes payable	6(22)	17	-	32,424	-
2170	Accounts payable	6(22) and 7	1,385,564	3	1,050,437	2
2200	Other payables	6(15)	1,131,560	2	1,200,085	3
2230	Current income tax liabilities		6,637	-	801	-
2250	Provisions for liabilities - current	6(16)(22)	1,154,186	2	1,018,386	2
2280	Current lease liabilities	6(9)	269,504	1	273,379	1
2310	Advance receipts		98,049	-	14,590	-
21XX	Current Liabilities		22,557,512	48	20,452,886	47
Non-current liabilities						
2500	Non-current financial liabilities at fair value through profit or loss	6(2)(17)	15,896	-	7,045	-
2530	Bonds payable	6(17)	1,775,013	4	1,760,726	4
2540	Long-term borrowings	6(18)	7,076,985	15	2,548,831	6
2570	Deferred income tax liabilities	6(32)	1,324,697	3	1,325,335	3
2580	Non-current lease liabilities	6(9)	2,947,811	6	3,181,022	7
2610	Long-term notes and accounts payable	6(19)	717,121	2	705,134	2
2630	Long-term deferred revenue	6(19)	125,238	-	181,604	-
2645	Guarantee deposits received		283,091	1	287,431	1
2670	Other non-current liabilities, others		1,133	-	7,957	-
25XX	Non-current liabilities		14,266,985	31	10,005,085	23
2XXX	Total Liabilities		36,824,497	79	30,457,971	70
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6(21)(23) and 7	9,317,873	20	9,317,873	22
Capital surplus						
3200	Capital surplus	6(17)(24)	752,878	1	3,692,913	8
Retained earnings						
3320	Special reserve	6(24)(25)	3,166,471	7	3,166,471	7
3350	Accumulated deficit		(3,427,274)	(7)	(2,940,035)	(7)
31XX	Equity attributable to owners of the parent		9,809,948	21	13,237,222	30
36XX	Non-controlling interests		3,679	-	26,318	-
3XXX	Total equity		9,813,627	21	13,263,540	30
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		\$ 46,638,124	100	\$ 43,721,511	100

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

CSBC CORPORATION, TAIWAN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(26) and 7	\$ 21,994,050	100	\$ 19,113,429	100
5000	Operating costs	6(5)(12)(30)(31) and 7	(25,090,814)	(114)	(18,558,210)	(97)
5900	Net operating margin		(3,096,764)	(14)	555,219	3
	Operating expenses	6(12)(30)(31)				
6100	Selling expenses		(66,007)	-	(66,478)	-
6200	General and administrative expenses		(362,014)	(2)	(360,333)	(2)
6300	Research and development expenses		(209,163)	(1)	(124,101)	(1)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(24,391)	-	(7,221)	-
6000	Total operating expenses		(661,575)	(3)	(558,133)	(3)
6900	Operating loss		(3,758,339)	(17)	(2,914)	-
	Non-operating income and expenses					
7100	Interest income		19,377	-	1,249	-
7010	Other income	6(10)(19)(27)	179,342	1	219,867	1
7020	Other gains and losses	6(28)	209,228	1	(64,134)	-
7050	Finance costs	6(8)(9)(19)(29)	(162,460)	(1)	(101,200)	(1)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	6(7)	(29,485)	-	(42,553)	-
7000	Total non-operating income and expenses		216,002	1	13,229	-
7900	Profit (loss) before income tax		(3,542,337)	(16)	10,315	-
7950	Income tax expense	6(32)	(6,151)	-	(762)	-
8200	Profit (loss) for the year		(\$ 3,548,488)	(16)	9,553	-
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gain on defined benefit plan	6(20)	\$ 145,156	-	\$ 40,933	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(32)	(29,031)	-	(8,187)	-
8300	Total other comprehensive income for the year		\$ 116,125	-	\$ 32,746	-
8500	Total comprehensive (loss) income for the year		(\$ 3,432,363)	(16)	42,299	-
	Profit (loss), attributable to:					
8610	Owners of the parent		(\$ 3,526,768)	(16)	\$ 13,235	-
8620	Non-controlling interest		(21,720)	-	(3,682)	-
	Total		(\$ 3,548,488)	(16)	\$ 9,553	-
	Comprehensive income (loss), attributable to:					
8710	Owners of the parent		(\$ 3,410,643)	(16)	\$ 45,981	-
8720	Non-controlling interest		(21,720)	-	(3,682)	-
	Total		(\$ 3,432,363)	(16)	\$ 42,299	-
	Basic earnings (losses) per share	6(33)				
9750	Total basic earnings (losses) per share		(\$ 3.78)		\$ 0.02	

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

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

Notes	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital - common stock	Capital surplus	Special reserve	Retained Earnings	Total		
				Accumulated deficit			
2021							
Balance at January 2021	\$ 4,730,555	\$ 97,071	\$ 3,166,471	(\$ 2,986,016)	\$ 5,008,081	\$ -	\$ 5,008,081
Profit (loss)	-	-	-	13,235	13,235	(3,682)	9,553
Other comprehensive income	-	-	-	32,746	32,746	-	32,746
Total comprehensive income (loss)	-	-	-	45,981	45,981	(3,682)	42,299
Cash capital increase	4,500,000	3,367,059	-	-	7,867,059	-	7,867,059
Share-based payments	-	128,818	-	-	128,818	-	128,818
Conversion of convertible bonds	87,318	99,965	-	-	187,283	-	187,283
Acquisition of non-controlling interest of a subsidiary	-	-	-	-	-	30,000	30,000
Balance at December 31, 2021	\$ 9,317,873	\$ 3,692,913	\$ 3,166,471	(\$ 2,940,035)	\$ 13,237,222	\$ 26,318	\$ 13,263,540
2022							
Balance at January 2022	\$ 9,317,873	\$ 3,692,913	\$ 3,166,471	(\$ 2,940,035)	\$ 13,237,222	\$ 26,318	\$ 13,263,540
Loss	-	-	-	(3,526,768)	(3,526,768)	(21,720)	(3,548,488)
Other comprehensive income	-	-	-	116,125	116,125	-	116,125
Total comprehensive loss	-	-	-	(3,410,643)	(3,410,643)	(21,720)	(3,432,363)
Capital surplus used to offset accumulated deficit	-	(2,940,035)	-	2,940,035	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	(16,631)	(16,631)	(919)	(17,550)
Balance at December 31, 2022	\$ 9,317,873	\$ 752,878	\$ 3,166,471	(\$ 3,427,274)	\$ 9,809,948	\$ 3,679	\$ 9,813,627

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

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

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		(\$ 3,542,337)	\$ 10,315
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit loss	12(2)	24,391	7,221
Depreciation of property, plant and equipment	6(8)(30)	655,832	654,269
Depreciation of right-of-use assets	6(9)(30)	246,367	246,569
Depreciation of investment property	6(11)	680	679
Amortization	6(12)(30)	21,857	12,461
Share of loss of investments accounted for using equity method	6(7)	29,485	42,553
Interest income		(19,377)	(1,249)
Government grant income	6(27)(29)(36)	(11,987)	(11,787)
Gain on valuation of financial assets and liabilities at fair value through profit or loss	6(28)	18,245	(19,055)
Loss on disposal of property, plant and equipment	6(28)	522	5,715
Interest expense	6(29)	162,460	101,200
Share-based payments	6(21)	-	128,818
Changes in operating assets and liabilities			
Changes in operating assets			
Loss on financial assets and liabilities at fair value through profit or loss - current		11,649	-
(Increase) decrease in current contract assets	(	1,582,275)	1,688,881
Decrease (increase) in accounts receivable		715,114	(860,454)
Decrease in other receivables		1,867	15,853
Decrease in other receivables - related parties		117	21,828
Increase in inventories	(	2,720,792)	(477,875)
Decrease (increase) in prepayments		562,127	(3,369,435)
Increase in other current assets	(	11,009)	(14,662)
Decrease (increase) in net defined benefit asset-non-current		25,162	(11,403)
Changes in operating liabilities			
(Decrease) increase in current liabilities	(	2,699,039)	3,689,055
(Decrease) increase in notes payable	(	32,407)	24,308
Decrease in notes payable - related parties		-	(111,592)
Increase (decrease) in accounts payable		335,127	(550,450)
Decrease in other payables	(	70,392)	(106,518)
Increase (decrease) in provisions - current		135,800	(274,376)
Increase (decrease) in receipts in advance		39,081	(5,870)
Increase in net defined benefit liability-non-current		-	37,532
Cash (outflow) inflow generated from operations	(	7,703,732)	872,531
Interest received		18,691	1,232
Interest paid	(	131,167)	(74,940)
Income tax paid	(	2,585)	(813)
Net cash flows (used in) from operating activities	(	7,818,793)	798,010

(Continued)

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

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in current financial assets at amortised cost		(\$ 1,021)	(\$ 16,841)
Increase in financial assets at amortised cost - non-current		(1,259)	-
Acquisition of investments accounted for using equity method	6(7)	-	(473,000)
Net cash flow from acquisition of subsidiaries	6(35)(36)	(12,407)	53,000
Cash payments for the purchase of property, plant and equipment	6(36)	(881,130)	(2,199,457)
Proceeds from disposal of property, plant and equipment		263	-
Acquisition of intangible assets	6(12)	(23,037)	(30,411)
Increase in refundable deposits		(268,591)	(116,920)
Decrease in refundable deposits		118,173	6,036
Net cash flows used in investing activities		(1,069,009)	(2,777,593)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term loans	6(37)	4,298,746	(2,403,312)
Increase in short-term notes and bills payable	6(37)	50,000	900,000
Proceeds from long-term debt	6(37)	4,531,180	-
Repayments of long-term debt	6(37)	-	(2,650,000)
Repayments of principal portion of lease liabilities	6(37)	(234,448)	(231,993)
Increase in guarantee deposit received	6(37)	143,419	145,342
Decrease in guarantee deposit received	6(37)	(147,759)	(141,303)
Decrease in other non-current liabilities	6(37)	(6,824)	(12,171)
Acquisition of ownership interests in subsidiaries	6(34)	(17,550)	-
Cash capital increase	6(23)	-	7,867,059
Net cash flows from financing activities		8,616,764	3,473,622
Net (decrease) increase in cash and cash equivalents		(271,038)	1,494,039
Cash and cash equivalents at beginning of year	6(1)	2,731,884	1,237,845
Cash and cash equivalents at end of year	6(1)	\$ 2,460,846	\$ 2,731,884

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

Annex 4

CSBC Corporation, Taiwan Deficit Compensation Statement 2022

Unit : NT\$

Items	Dollars	
	Subtotal	Total
Beginning deficit to be compensated		\$0
-: difference between consideration and carrying amount of subsidiaries acquired or disposed	16,630,257	
+: Other comprehensive income of 2022	116,124,553	
-: Net Loss of 2022	3,526,767,802	
Offsetting Item:		
+:Capital Surplus	555,841,174	
Accumulated deficit at the end of 2022		(\$2,871,432,332)

Chairman:
CHENG, WEN-LON

President:
WEI, CHENG-TZU

Accounting Manager:
Hsu, Yu-Chen

Annex 5

CSBC 2022 Sustainable Development Strategic Action Plan

Corporate Governance and Sustainability Promotion Team

Issues	Execution and follow-up
To strengthen corporate governance and integrity management Executing unit: Department of Planning, Department of Finance and Accounting, Department of Administration ■Objectives To promote and implement corporate governance and achieve a ranking within the top 6-20% of listed companies in corporate governance evaluations. 【Note: In the fiscal year of 2020, the Company's ranking in corporate governance evaluations was within the top 21-35%.】 ■Action Plan 1.To enhance the Company's compliance in four aspects of governance evaluation indicators: protecting shareholder rights and treating shareholders equally, strengthening the structure and operations of the board of directors, enhancing information transparency, and implementing corporate social responsibility 2.To develop an annual plan for anti-corruption, anti-bribery, and integrity management training plan for implementation. 1) When new employees join, we promote the Company's code of conduct for integrity management and provide them with the 'Code of Conduct for Integrity Management.' 2)We uploaded onto the Company's internal training website CTMS promotional materials on integrity management for employees to access and review at any time.	1.Corporate governance evaluation: ▲In the 2021 Corporate governance evaluation (the 8th evaluation), the Company got 78.77, ranking in the range between 21% and 35% (percentile level 3). This is an improvement of 6,67 points compared to the evaluation score of 72.1 in the fiscal year 2020. ▲The Planning Department compiled the indicators for 2022 (the 9th) Corporate governance evaluation on May 5, 2022. It provided relevant units with guidance, assistance, and consultation according to the revisions and changes in the corporate governance evaluation criteria, aiming to promote transparent management of corporate governance. 2. Anti-corruption, Anti-Bribery, and Integrity Operation Training: ▲As of the end of November, a total of 220 new employees were educated to follow the Company's "Code of Conduct for Integrity Operation (Anti-bribery)" and were provided with a copy of the code which was recorded for future reference. ▲On April 7, 2022, the Company uploaded two promotional videos on "Integrity Management" to the Company's internal training website (CTMS), allowing employees to access and view them at any time. The videos were also announced through "Daily Bulletin" for general awareness. As of the end of November, the videos have been watched by 492 person/time. 3. Prevention of insider Trading Training or Promotion: ▲Upon the arrival of new employees, they were provided with the "Insider Trading Guide" to educate them on the regulations related to insider trading under the Securities Trading Act. ▲When new internal personnel were appointed, they were provided with the "Basic concepts about Inside trading" and the "Employee Stock Trading Handbook to educate them on regulations regarding insider trading and stock

Issues	Execution and follow-up
3. Training or promotion for Preventions of insider trading: 1) When new employees join the staff, we provided them with the “Basic concept about Insider Trading” to educate them on the regulations related to insider trading under Securities and Exchanging Act. 2) When insiders take on new positions, we issue to them “Basic concept about Insider Trading” and “Manual of trading of securities among insiders” to educate them on the relevant regulations regarding insider trading and equity transactions. 3) We have uploaded to the Company’s internal training website (CTMS) the “Basic concept of Insider trading,” the promotional manual compiled by Taiwan Stock Exchange, and promotion videos of “Insider Trading Prevention” which were produced by Taipei Exchange, so that both types of materials both are accessible. 4. Implementation of the above-mentioned measures for anti-corruption, anti-bribery, and integrity management, as well as the training or promotion of preventing insider trading, will be included in the sustainable Development Committee report. The execution progress will be disclosed in the annual ‘Sustainability Report’ and ‘Annual Report’ on the company’s official website.	▲ The Company has uploaded to its internal training courses, promotional brochure of “Basic concepts about internal trading,” which was issued by TWSE, was the video “prevention of insider trading” to be viewed by employees. As of the end of November, these videos were watched by 2,701 person/times. 4 The implementation status of the above measures will be disclosed as the Company compiles the 2022 “Report on Sustainable measures” and “Annual Report.” Meanwhile, the implementation condition has been updated on the Company’s external website, and it will update the information according an external website to disclose the implementation status.

CSBC 2022 Sustainable Development Strategic Action Plan

Working environment and labor safety promotion Team

Issues	Execution and follow-up
1. Promotional activities to raise health awareness: Executing Unit: Department of Labor Safety and Health. ■ Goals: To promote health awareness and health management to keep laborers healthy and reduce the possibility of occupational diseases. ■ Actions plans: 1.To conduct 24 events of various themes for promoting health-related information. 2.To provide 2 sessions of health promotion course in collaboration with relevant health authorities. 3.To conduct health check for high-risk individuals through health examinations. 2. Enhancing Workplace safety culture in the Company Executing unit: Department of Labor Safety and Health ■ Goal: To enhance workplace safety awareness of first level supervisors ■ Action plan: 1. To invite the labor inspection office to organize two seminars on workplace disaster prevention for first level supervisors labor inspector office. 2.To organize two sessions of seminars on prevention of hazardous incidents for first level supervisors. 3.To analyze legal issues related to the type of workplace disasters which happened most frequently in 2021, and to educate and raise awareness of first level supervisors about this type of incidences. 4.To organize meetings of high-level supervisors at units with more occurrences of workplace disasters before December, 2022, and after the review meeting, to enhance workplace safety awareness of first level supervisors by offering more educational training courses.	1.As of November 11, 2022, the Company has conducted 89 events to promote health information in diverse ways for the purpose of enhancing the staff members' health and hygiene awareness. 2.On May 25, 2022 and November 2, 2022, the Company held two sessions of "Employee Health Promotion Course" as planned. 3.In 2022, the Company completed the employee health examinations. Among all staff members, 109 individuals had abnormality in their health report and identified as high risks personnel. They were reevaluated and provided with recommendations by on-site service physicians and provided with recommendations by on-site service physicians and occupational disease specialists, and referral letters were issued to assist high-risk individuals in receiving further treatment. Action Plan 1: After consulting the Labor Inspection Office, the Company has decided that due to the severe COVID-19 pandemic, the seminar until the situation stabilizes shall be postponed in order to avoid exacerbating the risk of group infections. The implementation of this action plan for the fiscal year is canceled. Action Plans 2 and 3: The training courses were successfully completed on July 26 and August 2 of the fiscal year 2022, with 74 participants in total. Action Plan 4: 1. On November 14 of the fiscal year 2022, units with higher risks and incidents in the year were notified and requested to set the occupational safety and health goals for the fiscal year of 2023 as follows, aiming to reduce/prevent similar incidents from occurring. ■ Shipbuilding Factory: Internal 1: Reduce accidents related to internal hoisting operations. Internal 2: Control and prevent hazards associated with grinding machines. Lifting Operations: Reduce LLC collision incidents. Installation: Prevent fire incidents during hot work operations. Painting: Reduce accidents of falling from heights during operations.

Issues	Execution and follow-up
5.To organize the activity “Workplace Safety Day” to enhance workplace safety awareness and to enhance workplace safety culture in the company. (Added by the supervisor).	■ Outfitting Department: Mechanical Installation: a.To enhance management of operational safety to prevent fire and electric shock accidents and reduce personal injuries and property damage. b.To implement operations in accordance with CSBC-QSE-OW-215 Outfitting Operation Standards to prevent slipping, tripping, and other unexpected incidents. Electrical Installation: To reduce accidents involving personnel falling from heights during operations. Ship Fitting: With the fire prevention measures, we hope to have zero fire incidents in 2023. Interior Fitting: To enhance management of equipment and operational environment. Staff members should wear protective equipment to prevent falling and slipping accidents. Piping: To conduct welding operations in accordance with CSBC-QSE-OW-402 Welding Operation Standards to prevent electric shocks and eye injuries. ■ Ship Repair Department: To have zero occupational accidents in the ship repair facility. ■ Environmental and Public Affairs Department: To eliminate unsafe factors in fixed power supply boxes. ■ Material Management Department: To ensure safe operations for material configuration and transportation. 2. On November 14, 2022, relevant units were notified and required to educate and inform their staff members on occupational accidents through informative presentations; employees belonging to these units were reminded of potential hazards at workplace. Action Plan 5: 1.CSBC organized the "CSBC Safety Culture Day" event at the Kaohsiung plant on March 24, 2022. The CEO Wei Cheng-Tzu led the executive team and supervisors from various departments to educate employees and contractors on safety guidelines and to actively promote the workplace safety culture. 2.Additionally, on May 19, 2022, a "Safety Awareness Campaign" was organized by the Labor Safety Department, Ship Body Department, Outfitting Department, and MIV Shipowner. Supervisors addressed safety issues related to work at heights, hot work, and lifting operations. There are ongoing monitoring, and documentation for reference will be prepared.

CSBC 2022 Sustainable Development Strategic Action Plan

Social Services and Care Promotion Team

Issues	Execution and follow-up
1. To promote assistance for disadvantaged groups. Executing Unit: Administrative Department ■Objective: To collaborate with internal and external charitable groups to sponsor and organize activities for supporting disadvantaged communities; to enhance the company's corporate image. ■Action Plan: 1. To collaborate with internal charitable groups (e.g., Morning Sun Society, Love Boat) to hold one event each in the first and second half of the year to provide support and assistance to underprivileged families. 2. To collaborate with nearby external charitable organizations to participate in activities during festive occasions that involve visiting low-income households or elderly individuals living alone. 3. To collaborate with the company's corporate union, welfare committee, and retiree association and actively care for employees and provide mutual support resources.	1. On May 28, 2022, the Morning Sun Society held a public welfare activity to care for and console underprivileged families in Shanlin District, Kaohsiung City. On May 16, 2022, the Love Boat Charity Association organized a 40th-anniversary charity event in Penghu. 2. Throughout the year, we co-organize charitable activities with the Genesis Social Welfare Foundation, Wu Mai Foundation, Heart Road Social Welfare Foundation, Kaohsiung Social Education Hall, Eden Social Welfare Foundation, Kaohsiung Harbor Care Association, and Kaohsiung Indigenous Warm Care Association to provide financial support for disadvantaged groups, vegetative patients, and elderly homeless individuals. We also organize blood donation and other public welfare activities. 3. The Welfare Committee offers employee scholarships, funeral condolences, and wedding grants. In addition, the Welfare Committee's recreation center, swimming pool, and surrounding outdoor sports facilities are open to employees and their family members, contractors, and ship owners on weekends and holidays.

Issues	Execution and follow-up
2. To actively promote the Company to Enhance its Corporate Image Executing Unit: Administrative Department ■Objective: To utilize the Company's cultural heritage exhibition area and to engage with the local community for actively promoting the Company and enhance its corporate image and service value. ■Action Plan: 1. To recruit a volunteer team and invite employees, their family members, retirees, or contractors to participate in such campaigns; we would look for good timings and chances to market the Company and shape a positive corporate image. 2. To organize four ship-building workshops and invite 100 outstanding students from nearby junior high schools to visit. We would make professional presentations and utilize the cultural heritage exhibition area to enhance the company's corporate image. 3. To invite nearby communities and charitable organizations to visit the Company's shipyard and cultural heritage exhibition area twice and in the meantime demonstrate the policy of promoting neighborly relations. 4. To organize two events and actively invite students from reputable domestic universities or staff members or industry-government-academia research groups to visit. 5. To collaborate with the Company's internal charity groups (Morning Sun Society, Love Boat Charity Association) to organize blood donation activities.	1. The volunteer team from Kaohsiung Plant organizes the harbor cleaning public event "Cherish Resources, Sustainable Fisheries" at the Xiaogang Fishermen's Association Pier on 28th August, 2022. 2. Throughout the year, students and teachers from Kaohsiung University of Science and Technology and as well as Taitung College Department of Power Machinery, participated in shipbuilding workshops a total of four times. 3. Throughout the year, multiple tours to the Company's plant and cultural heritage exhibition area were organized for various institutions, including National Pingtung University of Science and Technology, National Chengchi University, and Kaohsiung University of Science and Technology. 4. Kaohsiung Plant, in collaboration with the Morning Sun Society, organized four blood donation events at the Kaohsiung Wujia Blood Donation Center; there were a total of 407 participants, and 547 bags of blood collected (250cc per bag). Keelung Plant, in collaboration with the Keelung Lions Club, organized one blood donation event at the Keelung Plant; there were 105 participants, and 121 bags of blood collected (250cc per bag).

Issues	Execution and follow-up
3. Protecting Ocean, Cleaning up the Beach Executing units: Administrative Department, Keelung plant ■ Objective: To work with charity groups from the same community with the Company to patronize and host beach and coast cleanup or reservoir cleanup events to conserve resources from the ocean and conserve water resources. ■ Action plans: 1. The Kaohsiung and Keelung plants shall collaborate with surrounding communities and charity groups, and each plant shall organize one beach clean-up event in both the first and the latter half of the year. 2. Keelung Plant volunteers to maintain the coastline near Zhongshanzi Beach in collaboration with local groups. 3. Keelung Plant partners with neighboring charity organizations to organize fish fry events once in the first half and once in the second half of the year.	1.The volunteer team from Kaohsiung Plant, in collaboration with Kaohsiung Small Boat Anglers Association, organized the harbor cleaning public event "Cherish Resources, Sustainable Fisheries" at the Xiaogang Fishermen's Association Pier on 28th August, 2022. 2.On June 26, 2022, Keelung Plant collaborated with the Keelung Environmental Protection Bureau to promote environmental education and advocacy. They held the “2022 Protecting Ocean, starting from Keelung—the Spring Beach Cleanup Event” at Badouzi Coastal Park. 3.In compliance with the government’s pandemic prevention policies, all fish fry release activities were suspended for the year.

Issues	Execution and follow-up
4. To promote industry-academia collaboration, and to cultivate professionals in shipbuilding and marine engineering Executing unit: administrative department ■ Objectives: To select outstanding students from industry-academic collaboration programs, with a minimum of 15 students in technical fields, to become full-time employees of the Company. About 5 students from the industry-academia collaboration programs will be selected to be interns at the factories. ■ Action plans: 1. Starting from May, 2022, we will select part of the participants in internship programs, who are students focusing on technical fields from Shipbuilding Program at National Kaohsiung University of Science and Technology, the Welding Program at He-Chun Vocational High School, and Occupational Safety and Health Program at Fu-Ying Vocational High School, to be full time employees of the Company. 2. In 2022, we continued the industry-academia collaboration projects, and we expect to have students from the Electrical and Mechanical Program at National Kaohsiung University of Hospitality and Tourism to participate in the internship program scheduled in August in 2022.	1. Throughout the year, a total of 17 student completed their internships and were recruited as full-time employees of the Company, including 6 students from Shipbuilding Program at National Kaohsiung University of Science and Technology, 8 students from the Welding Program at He-Chun Vocational High School, and 3 students from the Occupational Safety and Health Program at Fu-Ying Vocational High School. 2. For the industry-academia collaboration projects, throughout the year, a total of 5 students from the Electrical and Mechanical Program at National Kaohsiung University of Hospitality and Tourism were recruited in the Company for training. After completing the training, they were assigned to be interns of engineering at the Outfitting Workshop.

CSBC 2022 Sustainable Development Strategic Action Plan

Environmental Protection and Energy Conservation and Carbon Reduction Promotion Team

Issues	Execution and follow-up
1. Applications of Environmentally friendly Ships and Technology Executing Unit: Design Department ■ Objectives: 1. To apply existing energy-saving technologies to domestically built naval vessels and offshore wind power policy ships. 2. To apply existing technologies to energy-saving retrofitting of traditional commercial ships. 3. To provide technical consultation and services to existing clients. ■ Action Plan: 1. To complete 60% of the planned outcome for energy-saving measures in the H1175 series (with a focus on non-vertical installation of stern thrusters). 2. To complete 95% of the planned outcome for energy-saving measures in the H1177 series (with a focus on non-traditional propellers). 3. To complete 60% of the planned outcome for energy-saving measures in the H1182 series (with a focus on bulbous bows). 4. To complete 60% of the planned outcome for energy-saving measures in the H1185 series (including bulbous bows, non-symmetric rudder bulbs, twisted rudders, and low aspect ratio propellers). 5. To conduct at least 3 shipowner technical consultations, product promotions, and marketing advice (including visits, video conferences, or tours in the Company).	1. To implement the H1175 series of energy-saving measures (primarily focusing on non-vertical installation of stern thrusters). 60% of planned project should be completed, and the actual overall progress for launching the ship is 80%. 2. To implement H1177 series of energy-saving measures (primarily focusing on non-traditional propellers). 95% of planned project should be completed, and the project has been completed and delivered as scheduled. 3. To implement H1182 series of energy-saving measures (primarily focusing on bulbous bows). 60% of planned project should be completed, and the actual overall progress at the completion of installation is 60%. 4. To implement H1185 series of energy-saving measures (including bulbous bows, non-symmetric rudder bulbs, twisted rudders, and low aspect ratio propellers). 60% of planned project should be completed, and the actual overall progress at the completion of installation is 60%. The actual overall progress for launching is expected to be 80% completed by the end of the year. 5. In coordination with business operations, conduct shipowner technical consultations, product promotions, and marketing advice (including visits, video conferences, or visits). The plan is to coordinate at least 3 times. As of now, there have been 12 actual coordinated instances [Note: 6/1 (Luessen), 6/2 (Sin Guang), 6/24 (ABS), 7/1 (Yuan Hai), 7/22 (Navy), 7/26 (Coast Guard), 7/29 (Sin Guang), 8/4 (Sin Guang), 8/22 (Sin Guang), 8/24 (Navy), 8/25 (SHI), 10/3 (Navy)].

Issues	Execution and follow-up
2. VOCs Pollution Reduction and Green Energy from Solar Power Executing Unit: Environmental and Public Affairs Department ■ Objectives: 1. To complete the VOCs reduction project in the paint area of Plants P1-P6 by the end of 2022, with an estimated VOCs reduction of 369 tons/year. 2. To install solar photovoltaic systems on the rooftops of the plant area to enhance the company's image and realize the new image of green energy. The installation with a capacity of 1,150 kW is planned to be completed in 2022. ■ Action Plans: 1. In accordance with the Greater Kaohsiung Volatile Organic Compounds (VOCs) Total Quantity Control Plan, we plan to reduce the emissions of VOCs, the precursors to O₃ (ozone), by implementing measures such as sealing and enclosing the paint areas of Plants P1-P6 and installing prevention equipment. 2. We plan to install solar photovoltaic modules and inverters on the roofs of the newly constructed 2A shipyard workshop, ship segment assembly workshop, and Haichang Building, aiming for a capacity of 1,150 kW.	1. The air pollution control equipment for Plants P1-P2 have been installed, and the test drive inspections have been conducted. Currently, there is an application for permit modification in progress. For Plants P3-P6, the sealing and enclosure, duct installation, and structural reinforcement projects have been completed. The installation of air pollution control equipment is currently underway, and currently 75% of the project is completed. We expect to complete the project by the end of the year; we expect to reach an estimated VOCs reduction of 369 tons/year, and there shall be a reduction in air pollution control fees. 2. The installation of solar photovoltaic modules on the roof of the 2A workshop has been completed, achieving a capacity of 500 kW. However, for the ship segment assembly factory and Haichang Building, which are special buildings without usage permits, the application for installing solar photovoltaic equipment is still pending. The revised plan aims to install solar photovoltaic modules on the roofs of the pipe raw material warehouse and shipbuilding material warehouse. It is expected that a capacity of 640 kW will be installed in the 112th fiscal year (2023).

CSBC 2022 Sustainable Development Strategic Action Plan
Corporate Governance and Sustainability Promotion Team

Issues	Execution and follow-up
To enhance Corporate Governance and Integrity Management Executing units: Planning Department Finance and Accounting Department Administrative Department	■ Goals: To promote and implement transparent corporate governance, and to improve the Company's ranking among listed governance in terms of corporate governance evaluation: ★Listed companies: 21%~35% ; ★Non-financial electronic companies with market value over 10 billion: 21%~40% 。 ■ Action Plan: 1.To improve Corporate Governance: 1) to protect shareholder rights and treat shareholders equally, 2) to strengthen the structure and operation of the Board of directors, 3) To enhancing information transparency, 4) to implement corporate social responsibility in compliance with the four evaluation indicators. 2.To strengthen Anti-Corruption, Anti-Bribery, and Integrity Advocacy: When new employees arrive, we will promote to them the Company's code of conduct for integrity and provide them with a hardcopy of the "Code of Conduct for Integrity." 3. Promoting Insider Trading Prevention: 1) Provide new employees with the "Basic Concepts about Insider Trading" to educate them on the regulations related to insider trading under securities laws. 2) Provide newly appointed insiders with the " Basic Concepts about Insider Trading " and the "Handbook for Stock transactions among Insiders" to educate them on the regulations regarding insider trading and stock transactions. 3) Make the " Basic Concepts about Insider Trading " manuals from the Taiwan Stock Exchange and the "Prevention of Insider Trading" advocacy videos from the GreTai Securities Market available on the Company's internal education and training website (CTMS) for employees to access and browse at any time. 4.The above-mentioned implementation of anti-corruption, anti-bribery, and integrity advocacy, as well as training or promotion for preventing insider trading, should be reported to the Sustainability Development Committee. The execution status should be disclosed in the annual sustainability report, annual report, and the Company's website for the public.

Issues	Execution and follow-up
To enhance risk management mechanism and implement risk management to ensure sustained operation of the Company. Executing units: Office of Legal Affairs Planning Department All relevant divisions	■ Goals: Before June 2023, we plan to review the Company's "Risk Management Procedures" and management procedures to determine the need for revisions; we will refer to provisions of the "Risk Management Practice Guidelines for Listed and OTC Companies" and "Corporate Governance Evaluation Indicators," which were promulgated by the competent authority. ■ Action Plan: 1. To review the risk management framework, procedures, and processes. 2. If necessary, we will designate a group to identify risk categories and detect risks and opportunities, to figure out corresponding measures, and to track progress. 3. In accordance with the annual corporate governance evaluation requirements, we will disclose and update information on the Company's website, annual report, and sustainability report for investors and other stakeholders to access. 4. To timely revise and promulgate relevant rules according to the "Risk Management Practice Guidelines for Listed and OTC Companies" and "Corporate Governance Evaluation Indicators" promulgated by the competent authority.

CSBC 2022 Sustainable Development Strategic Action Plan

Working environment and labor safety promotion Team

Issues	Goals / Action Plans
1. To implement prevention measures of occupational hazard at the workplace. Executing unit: Department of Occupational Safety and Health	■ Goals : 1.To emphasize engineering sites inspections and increase monitoring tours to 145 times. 2. To promote awareness of workplace safety and increase promotional session to 50 times. ■ Action plan: 1. To conduct emergency drills to enhance measures to prevent hazardous incidents. 2. To review the deficiencies found during inspection tours to engineering sites; to carry out promotion sessions to enhance safety awareness and foster ta culture of occupational safety among employees and contractors.
2. To prevent work-related illness caused by excessive workloads. Executing unit: Department of Labor safety.	■ Goals : 1.To complete a report on identifying and evaluating high-risk groups every October and establish or revise administrative measures based on the report. 2.To conduct interview and health consultation for 100 person/times. ■ Action plans: 1. To review “Plans to prevent work-related illnesses caused by excessive workloads” and announce the revisions (when necessary). 2. To actively show care about employees’ health based on each individual’s health check report; to prevent the development of cardiovascular diseases that occur due to shift work, night shifts, and long working hours.

CSBC 2022 Sustainable Development Strategic Action Plan

Social Services and Care Promotion Team

Issues	Goals / Action Plans
1. To promote projects to help the disadvantaged and minority groups Executing unit: Administrative Department	■ Goals : To collaborate with the charity groups inside and outside the Company to host one charitable event each on first half and second half of the year to help the disadvantaged and minority groups so as to improve the Company's corporate image. ■ Action Plans: 1.To collaborate with charity groups inside the Company (e.g. Morning Sunshine Society, Love Boat) to organize one event each on first and second half of the year to help disadvantaged families. 2.To collaborate with charity groups in the communities around the Company to organize one event each in the first and second half of the year to assist low-income households or visit elderly who live alone. 3.To collaborate with the Company's employee union, welfare committee, and retired employee's association to proactively care for employees and provide mutual assistance resources
2. To actively promote the Company and enhance good corporate image Executing unit: Administrative Department	■ Goals : To organize 4 ship building seminars; to organize visit tours to the Company's plants and heritage exhibitions area once each for the first half and the second half of the year, and to invite people from neighboring communities, charity groups, students from domestic colleges, and industry-academia-government collaboration groups. To actively promote the Company, enhance corporate image, and add service values. ■ Action Plans: 1. To recruit a volunteer team and invite employees, their family members, retired personnel, and contractors to join. To organize an annual event for enhancing marketing of the Company and shaping a positive corporate image. 2. To organize 4 shipbuilding seminars and invite 100 outstanding students from nearby junior high schools to visit. To enhance the company's corporate image through professional presentations and the exhibition of artifacts. 3. To invite neighboring communities and charitable organizations to visit the Company's shipyard and heritage exhibition area twice, and to promote a policy for enhancing the Company's relationship with neighboring community. 4. To actively organize 2 tours and invite domestic universities, colleges, and industry, government, academia, and research organizations to visit.

Issues	Goals / Action Plans
3. To promote industry-academia collaboration; to cultivate talents of ship building and marine engineering. Executing unit: Administrative Department	■ Goals : To select and hire at least 7 students with excellent technical skills from the industry-academia collaboration program as official employees of the Company. Additionally, to have 5 students from the industry-academia cooperation program join the Company as interns. ■ Action Plans: 1. Starting from May 2023, we would select and hire outstanding students from the following specialized programs: National Kaohsiung University of Science and Technology's Shipbuilding Program, He-Chun Welding Program, Fu Jen Catholic University's Occupational Safety and Health Program, and St. John's University of Science and Technology's Shipbuilding Program. These students will be recruited to become official employees of the Company. 2. We will continue the industry-academia cooperation projects; in August 2023, we will have students from National Kaohsiung Normal University's Industrial and Commercial Electrical Engineering Program participate in an internship at the plant of the Company.
4. To promote the establishment of succession committee and enhance the knowledge transfer between labors of different generation Executing unit: Administrative Department	■ Goals : To add KPI for knowledge transfer between labors of different generations into the annual performance evaluation. The KPI will consist of two components: "Supervisions of knowledge transfer in each department" with a 5% weightage, total 10% (with a target achievement rate of 9%). ° ■ Action Plans: To follow the guidelines for knowledge transfer, and projects established by the "Knowledge Transfer Committee" to expedite the transfer of critical capabilities and track the effectiveness.

CSBC 2022 Sustainable Development Strategic Action Plan

Environmental Protection and Energy Conservation and Carbon Reduction Promotion Team

<u>Issues</u>	<u>Goals / Action Plans</u>
1. Environmentally friendly ships and applications of green technology. ※Executing units: Design Department	■ Goals : 1. To develop a prototype for a type 1 container vessel with promotional value. 2. To make the following progress on 4 energy-saving projects: 2.1 To apply H1175 energy-saving measures (mainly focused on non-vertically installed stern thrusters) with the project 100% completed. 2.2 To apply H1182 energy-saving measures (mainly focused on bulbous bow) with the project 100% completed. 2.3 To apply H1185 series energy-saving measures (including bulbous bow, asymmetric flap rudder, twisted leading-edge rudder, low aspect ratio propeller) with the project 100% completed. 2.4 To apply H1193 energy-saving measures (including T-Fin, low aspect ratio propeller) with the project 60% completed. 3. To cooperate with the Business Department for at least 3 times in technical consultations for shipowners, in product promotion, and for marketing advice (including visits, video conferences, or visits). ■ Action Plans: 1. To develop products that are worthwhile to promote (including commercial vessels, offshore wind power, etc.). 2. To apply previous research and development achievements to the orders we have undertaken (including domestically built naval vessels and ships such designed for projects such as offshore wind power generators). 3. To promote the 4IntShip series products and provide technical consultations and services to existing customers.

Issues	Goals / Action Plans
2. To conserve energy and reduce CO2 emission ※Executing units: Environmental Affairs Department, Information Technology Department	■ Goals : 1. To install solar photovoltaic modules and inverters on the roofs of the warehouses storing raw material and shipbuilding materials, with a projected capacity of 640 kW. 2. To increase the proportion of energy monitoring in the Kaohsiung plant's compressed air system from the present level 40% to 95%. ■ Action Plans: 1. To entrust the subsidiary Taiwan Ship Anti-Corrosion to plan and implement: From June to November of 2023, we aim to complete the planning and implementation of solar photovoltaic modules, and we aim to install inverters on the roofs of the warehouses for raw material and shipbuilding materials; the total planned capacity is 640 kW. 2. From June to November of 2023, we hope to independently complete the compressed air system monitoring project and introduce a compressed air monitoring system to enhance energy efficiency through automation.

Issues	Goals / Action Plans
3. Inspection and Verification of greenhouse gas emissions ※Executing units: Environmental Affairs Department, Information Technology Department	■Goals : 1. To complete the internal inventory and external verification on greenhouse gas emissions before October of 2023. (Keelung Plant will not undergo external verification in 2023.) 2. To schedule can complete the greenhouse gas inspections for subsidiaries of the Company before October of 2023. ■ Action Plans: Note: In accordance with the "Schedule for Sustainable Development Roadmap" issued by the Financial Supervisory Commission, the Company is required to complete inspections on greenhouse gas emissions by 2025 and complete the external verification by 2027. Subsidiaries of the Company are required to complete the greenhouse gas emission inspections by 2026 and external verification by 2028. 1.Inspections on the Company's greenhouse gas emission: 1.1 To collect data of greenhouse gas emission in the first quarter. 1.2 To complete internal inspections and to compile reports on greenhouse gas emissions in the second quarter. 1.3 To conduct external verification of greenhouse gas emissions in the third quarter. 2. Greenhouse gas inventory for subsidiaries: 1.1 To request the subsidiaries to submit greenhouse gas inventory planning schedule data in the first quarter. 1.2 To revise and review the greenhouse gas inventory planning schedule data of subsidiaries in the second quarter. 1.3 To finalize the plan for inspecting greenhouse gas emissions of the Company's subsidiaries in the third quarter.

Annex 6

CSBC Corporation, Taiwan “ARTICLES OF INCORPORATION”

Comparison of Articles Before and After Amendments

Article Times	Revised Article	Original Article	Explanation
Article 6	The company's total capital is rated at NT\$200 million, which is divided into 2 billion shares, each share is NT\$10, divided into issue.	The company's total capital is rated at NT\$11, 138, 997, and 170 yuan, divided into 1, 113, 899, and 717 shares, each share is NT\$10, divided into issue.	Change the total registered capital of the company due to business needs, and cooperate with the revision of the company's articles of Incorporation.
Article 39	This charter was established by all promoters on July 27, 1962. (slightly) The fifty-second amendment was passed on June 28, 112, the 112th shareholders' regular meeting.	This charter was established by all promoters on July 27, 1962. (slightly)	Add revision date

Annex 7

CSBC Corporation, Taiwan “Rules of procedure for shareholders' meetings” Comparison of Articles Before and After Amendments

Amended Articles	Original Articles	Explanation
3. Except as otherwise provided in the laws and regulations, the shareholders' meeting of the Company shall be convened by the board of directors. <u>That the Company is to hold a virtual shareholders' meeting should be specified in the articles of incorporation; the matter should be resolved by the Board of directors, and virtual shareholders' meetings shall be conducted in accordance with the regulations of the Regulations Governing the Administration of Shareholder Service of Public Companies, with the approval of two-thirds or more of directors the meeting, and with a majority of the attending directors approving the case.</u> The rest is omitted.	3. Except as otherwise provided in the laws and regulations, the shareholders' meeting of the Company shall be convened by the board of directors. The rest is omitted.	Due to the holding of virtual shareholders' meetings, shareholders are unable to attend physical meetings and can only participate through video conferencing. This imposes limitations on shareholder rights. In order to protect shareholders' rights, the second clause is added to stipulate that the convening of virtual shareholders' meetings by the Company should be specified in the articles of incorporation and approved by the Board of directors, except where otherwise provided by the Regulations Governing the Administration of Shareholder Service of Public Companies. Additionally, the company's decision to hold a virtual shareholders' meeting should be approved by a two-thirds majority of the attending directors and a majority of the attending directors (i.e., a special resolution).

Amended Articles	Original Articles	Explanation
6-1. The Company should specify the following matters in the notice for a shareholders' meeting convened via video conferencing: Paragraph 1 、 2 are omitted. 3.When a shareholder's meeting is convened solely via video conferencing, the Company should provide alternatives for shareholders who have problems attending the meeting via video conferencing. <u>Except for situations specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least equipment and necessary assistance for connecting to the Internet should be provided to shareholders, and the period for shareholders to apply to the Company for such assistance and other relevant matters should be stated.</u>	6-1. The Company should specify the following matters in the notice for a shareholders' meeting convened via video conferencing: Paragraph 1 、 2 are omitted. 3.When a shareholder's meeting is convened solely via video conferencing, the Company should provide alternatives for shareholders who have problems attending the meeting via video conferencing.	1.Considering the convening of virtual shareholders' meetings, where shareholders can only participate through video conferencing, in order to provide appropriate alternative measures for shareholders who have difficulties participating via video conferencing and to assist them in using the necessary connection equipment to participate in the shareholders' meeting, the latter part is added to the third clause to stipulate that the Company should provide at least the aforementioned connection equipment, venue, and assign relevant personnel to provide necessary assistance to shareholders for participating in the meeting. The shareholders' meeting notice should also specify the period during which shareholders can submit applications to the company and other relevant matters to be noted. 2.Moreover, considering the special circumstances where, due to natural disasters, incidents, or other force majeure events, the Ministry of Economic Affairs announces that a public company is allowed to convene shareholders' meetings through video conferencing without the requirement stated in the articles of incorporation for a certain period of time; additional provisions are added to the third clause to specify that in such cases covered by the provisions of Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Service of Public Companies, where no mention of video conferencing in the articles of incorporation is required. The latter part of the third clause does not apply.

Amended Articles	Original Articles	Explanation
22. When convening a shareholders' meeting via video conferencing, the Company should provide proper alternatives to shareholders who have problem attending the shareholders' meeting via video conferencing. <u>Except for situations specified in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, at least the equipment and necessary assistance for connecting to the Internet should be provided to the shareholders, and the period for shareholders to apply to the Company for such assistance and other relevant matters should be stated.</u>	22. When convening a shareholders' meeting via video conferencing, the Company should provide proper alternatives to shareholders who have problem attending the shareholders' meeting via video conferencing.	The provisions are amended for the same reasons as 6-1.

Appendix

Appendix 1

Rules of Procedure for Shareholders' Meeting CSBC Corporation, Taiwan

Passed in the 1st extraordinary shareholders' meeting of 2002 on December 9, 2002

Passed in the 1st extraordinary shareholders' meeting of 2008 on March 24, 2008

Passed in the general shareholders' meeting of 2008 on June 20, 2008

Passed in the general shareholders' meeting of 2012 on June 13, 2012

Passed in the general shareholders' meeting of 2014 on June 26, 2014

Passed in the general shareholders' meeting of 2015 on June 29, 2015

Passed in the general shareholders' meeting of 2020 on June 17, 2020

Passed in the general shareholders' meeting of 2021 on August 25, 2021

Passed in the general shareholders' meeting of 2022 on June 22, 2022

1. Except as otherwise provided in the laws and regulations, the procedure of the shareholders' meetings of CSBC Corporation, Taiwan (hereinafter referred to as the Company) shall be handled in accordance with these Rules.
2. The shareholder referred to in these Rules means the shareholder him/herself or the representative appointed by the shareholder or the shareholder's proxy for attending the meeting.
3. Except as otherwise provided in the laws and regulations, the shareholders' meeting of the Company shall be convened by the board of directors.

Changes in the way of convening shareholders' meetings of the Company should be resolved by the board of directors, and the notice should be sent by correspondence at least before the shareholders' meeting.

The Company shall, 30 days before a general shareholders' meeting or 15 days before an extraordinary shareholders' meeting, produce the shareholders' meeting notice, the power of attorney form, and the information about items for recognition and discussion and election or dismissal of directors into an electronic file for upload on the MOPS. Yet, if the Company's capital income reaches NT\$10 billion on the date when the fiscal year ends, or when the over 30% of the Company's stocks are possessed by foreign investors and investors from Mainland China who have been recorded in the name list of the most recent shareholders' meeting, the relevant electronic files should be transmitted at least 30 days before the shareholders' meeting is convened. The Company shall, 21 days before a general shareholders' meeting or 15 days before an extraordinary shareholders' meeting, produce the rules of procedures for the

shareholders' meeting and supplementary materials into an electronic file for upload on the MOPS. The Company shall, 15 days before a shareholders' meeting, prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the meeting.

The Company shall provide the aforementioned handbook of shareholders' meetings and attachments to the handbook to the shareholders on the meeting day in the following ways:

- 1.To distribute the materials at the venue during a physical meeting.
- 2.To distribute the materials at the venue during physical meeting with an alternative of attending by video conferencing and upload the file to the designated online platform.
- 3.To upload the electronic file to the designated video conferencing platform during a shareholders' meeting solely convened through video conferencing.

The meeting notice and announcement shall contain the reasons for convening the meeting. The notice delivery may be done electronically with the consent of the counterparty.

The election or dismissal of directors, or amendments to the Articles of Association, or dissolution, merger, or division of the Company, or matters in the provisions of Article 185 of the Company Law, Articles 26.1 or 43.6 of the Securities Exchange Act, or Articles 56.1 or 60.2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the reasons for convening the meeting and shall not be brought up as extraordinary motions.

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.

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.

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.

The shareholder's proposal shall be no more than 300 words. Proposals more than 300 words will not be included as motions. The shareholder making the motion proposal shall be present at or appoint a proxy to attend the shareholders' meeting and participate in the discussion of the motion.

The Company shall notify the shareholder making the motion proposal of the results of the processing before the notice of convening the shareholders' meeting, and include in the meeting notice the motions meeting the criteria of the Article. For a shareholder's proposal not included in the motions, the board of directors shall state the reasons in the shareholders' meeting.

4. The shareholders shall, at each shareholder's meeting, issue a power of attorney in the form printed by the Company, specify the scope of authorization, and appoint a proxy to attend the shareholders' meeting.

Each shareholder is limited to issuing one power of attorney and appointing one proxy only. The power of attorney shall be delivered to the Company 5 days before the shareholders' meeting. If the power of attorney is duplicated, the first one that is delivered shall prevail. This requirement does not apply to a statement revoking the former power of attorney.

Upon the delivery of the power of attorney to the Company, the shareholder who wishes to attend the shareholders' meeting in person or wishes to exercise the voting right in writing or electronically shall notify the Company in writing to the cancel the proxy appointment 2 days before the shareholders' meeting, otherwise the voting right exercised by the appointed proxy who attends the meeting shall prevail.

Upon the delivery of the power of attorney to the Company, the shareholder who wishes to attend the shareholders' meeting via video conferencing or wishes to exercise the voting right in writing or electronically shall notify the Company in writing to the cancel the proxy appointment 2 days before the shareholders' meeting, otherwise the voting right exercised by the appointed proxy who attends the meeting shall prevail.

5. The time and place of the shareholders' meeting shall be determined by the board of directors, and the meeting shall be held at the place where the head office of the Company is located or a place convenient for the shareholders' attendance and suitable for holding the shareholders' meeting. The meeting start time shall not be earlier than 9:00 am or later than 3:00 pm.

When the Company convenes a shareholders' meeting via video conferencing, limitations of venue in the preceding paragraph do not apply.

6. The Company shall prepare a rules-of-procedure handbook for the shareholders' meeting and announce the rules-of-procedure handbook and other relevant information before the shareholders' meeting.

The measures concerning the time, manner and main matters in the rules of procedure handbook in the aforesaid announcement and other matters to be followed shall be determined by the securities regulatory authority.

The attendance at the shareholders' meeting shall be determined by the submission of the attendance card to the Company by either the shareholder or the proxy appointed by the shareholder.

The Company shall deliver the rules-of-procedure handbook, annual report, attendance certificate, speech slip, vote and other meeting information to the shareholders present at the shareholders' meeting. If there is an election of directors, the election ballot shall also be delivered

The shareholder shall attend the shareholders' meeting by attendance certificate, attendance card or other attendance documents. The Company shall not arbitrarily add any other supporting documents to prove the identity of the shareholders. The solicitor for the power of attorney shall carry identity documents for verification.

If the government or a legal person is a shareholder, the representative for the shareholders' meeting is not limited to one person only. If a legal person is appointed to attend the shareholders' meeting, only one representative shall be sent.

The check-in procedure should begin on the platform of video conferencing for the shareholders' meeting 30 minutes before the shareholders' meeting starts. Shareholders who completed the check-in procedure are deemed as being present at the meeting in person.

Shareholders who intend to attend a online streaming shareholders' meeting via video conferencing should register to the Company 2 days before the meeting.

For shareholders' meeting convened via video conferencing, the Company shall upload handbook of the meeting, the annual report, and other relevant information to the video conferencing platform, and the information should remain accessible until the meeting ends.

- 6-1. The Company should specify the following matters in the notice for a

shareholders' meeting convened via video conferencing:

1. The methods for shareholders to attend the online-streaming meeting and how they can exercise their rights.
 2. Methods of handling situations in which video conferencing platform or the channel of connecting to the online streaming meeting malfunctions due to natural disasters, accidents, or other unavoidable causes, which should include at least the following matter:
 - (1) The time at which the aforementioned situations cause interruption so that the meeting shall be postponed or continued, and the date on which the meeting should be postponed to or continued.
 - (2) Shareholders who did not check-in for the original shareholders' meeting are not allowed to attend the postponed or continued meeting.
 - (3) During a shareholders' meeting where online streaming is an alternative for physical meeting, if the online streaming cannot continue but the shares possessed by all shareholders who attend the meeting with those participate via video conferencing deducted can reach the legal threshold for the meeting, the shareholders' meeting shall continue. The shares possessed by shareholders who attend via video conferencing shall be included in the total amount of shares possessed by attending shareholders, but those attending the meeting online shall be deemed abstaining their rights to vote for all agendas in the meeting.
 - (4) Measures to take when resolutions of all agendas have been announced but the exemption motion has not been conducted.
 3. When a shareholder's meeting is convened solely via video conferencing, the Company should provide alternatives for shareholders who have problems attending the meeting via video conferencing.
7. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. If the chairperson of the board is on leave or for any reason and unable to exercise the powers of a chairperson, the chairperson shall appoint one of the directors to act as the chairperson for the meeting. If the chairperson does not make such an appointment, then the chairperson for the meeting shall be elected among the directors.

If the shareholders' meeting is convened by a party other than the board of directors, the chairperson of the meeting shall be the convening party. If there are two or more convening parties, one of them shall be elected as the chairperson.

For a shareholders' meeting convened by the board of directors, the chairperson shall personally presided over the meeting, and shall have more than half of the

directors of the board and at least one member from each functional committee attend the meeting. The attendance shall be recorded in the meeting minutes.

The Company may appoint its lawyer, accountant or related persons to attend the shareholders' meeting in a non-voting capacity.

8. The Company shall audio-record and video-record the whole process of the meeting, including the check-in procedure of the shareholders, the convention of the meeting, the voting and calculating of votes.

The video and audio recording in the preceding paragraph shall be retained for at least one year. For any lawsuit filed by a shareholder in accordance with Article 189 of the Company Act, such documents shall be kept until the end of the proceedings.

During a shareholders' meeting convened via video conferencing, the Company shall audio-record and video-record the whole process, including the enrollment, registration, check-in, inquiries, voting of the shareholders, and the calculation of votes, and such recording shall be retained.

The information and audio- and video- recordings in the preceding paragraph in the preceding paragraph shall be carefully possessed by the Company. The audio and video recordings shall also be provided to the party entrusted for organizing the video conferencing meeting.

During a shareholders' meeting convened via video conferencing, the Company shall audio record and video record the operation interface of the online streaming platform.

9. The attendance of the shareholders' meeting shall be on a share basis. The number of shares represented by the attending shareholders shall be based on the sign-in register or the attendance cards submitted, and the number of shares recorded at the check-in counter of the video conferencing platform, plus the number of shares with the voting rights exercised in writing or electronically.

The chairperson shall call the meeting to order at the scheduled meeting start time, and announce relevant information of the number of non-voting rights and the number of shares present at the time. If the attending shareholders do not represent a majority of the total number of shares issued, the chairperson may announce a postponement, provided that no more than two such postponements for a combined total length of no more than 1 hour may be made. If after two postponements the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall announce the meeting aborted; for a shareholder's meeting convened via video conferencing, the Company shall announce the meeting aborted on the video conferencing

platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, then pursuant to Paragraph 1 of Article 175 of the Company Law, a tentative resolution may be adopted with the consent of the attending shareholders with the majority voting rights. The shareholders shall be informed of the tentative resolution, and another shareholders' meeting shall be convened within a month; for a shareholders' meeting convened via video conferencing, a shareholder who intend to attend via video conferencing shall register to the Company again according to Article 6.

Before the current meeting ends, if the present shareholders represent half or more of the total number of issued shares, the chairperson submit the tentative resolutions to the shareholders' meetings for voting again on the basis of regulations in Article 174 of the Company Law.

For the shareholders' meeting reconvened, shareholders representing one third or more of the total number of issued shares still have to attend, and the consent of the attending shareholders with the majority voting rights shall be obtained. A formal resolution shall be made.

- 10.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.

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.

The chairperson 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.

After the meeting is adjourned, the shareholders shall not elect another chairperson to continue the meeting at the original site or another place. However, if the chairperson declares the meeting adjourned in violation of the rules of procedure, with the consent of the attending shareholders with the majority voting rights, a new chairperson may be elected to continue the meeting.

The chairman 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, and may announce to suspend the discussion when it's necessary. As announced to close the discussion or stop the agenda item of the discussion, the chair shall call for a vote, and schedule sufficient time for voting.

11. Before speaking, an attending shareholder must write down on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance certificate number), and account name. The order in which the shareholders speak shall be set by the chairperson.

An attending shareholder 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.

Except with the consent of the chairperson, a shareholder may not speak for more than twice on the same motion, and a single speech may not exceed 5 minutes. If a shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.

At the time a shareholder is speaking, the other shareholders shall not speak and interfere except with the consent of the chairperson and the speaking shareholder, otherwise the chairperson shall stop this interfering behavior.

Where a legal-person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives may speak on the same motion.

After an attending shareholder has spoken, the chairperson may respond in person or appoint a relevant person to respond.

12. The vote calculation of the shareholders' meeting shall be on a share basis. If the government or a legal person is a shareholder, its representative shall exercise the voting rights on behalf of the shareholder.

For the resolution of the shareholders' meeting, the shareholdings of shareholders with no voting rights shall not be included in the total number of shares issued.

Shareholders are not allowed to participate in the voting on matters with their own interests involved in that are potentially harmful to the interests of the Company, and shall not act on behalf of other shareholders to exercise their voting rights.

The number of shares with no voting rights in the preceding paragraph shall not

be included in the number of voting rights of the shareholders who have attended the meeting.

A shareholder may entrust a proxy to attend the shareholders' meeting. Except trust businesses or stock agents approved by the competent authority, if a proxy is entrusted by two or more shareholders, the voting rights of the proxy shall not exceed 3% of the total number of voting rights of the issued shares, otherwise the voting rights exceeding the percentage shall not be counted.

13. Shareholders have one voting right for each share, except restricted shares or shares with no voting rights as listed in Item 2 of Paragraph 179 of the Company Law.

In the Company's shareholders' meeting, an electronic method shall be adopted for the exercise of voting rights, which may also be exercised in writing. The notice of the shareholders' meeting shall stipulate whether the voting rights are exercised in writing or electronically. Shareholders who exercise their voting rights either in writing or electronically are deemed to be present at the shareholders' meeting in person. However, they shall be deemed to abstain from extraordinary motions and amendments to the original motions of the shareholders' meeting.

For a shareholder who exercises the voting rights in writing or electronically in the preceding paragraph, the shareholder's decision shall be delivered to the Company 2 days before the date of the shareholders' meeting. If the decision is duplicated, the first one that is delivered shall prevail. This requirement does not apply to a statement revoking the former decision.

After a shareholder exercises the voting rights in writing or electronically, if the shareholder wishes to attend the meeting in person or via video conferencing, he/she shall, in the same way as the exercise of the voting rights, cancel the decision on the exercise of the voting rights in the preceding paragraph 2 days before the date of the shareholders' meeting. If the cancellation is not made before the deadline, the voting rights exercised in writing or electronically shall prevail. If a shareholder exercises the voting rights in writing or electronically and entrusts a proxy by a power of attorney to attend the shareholders' meeting, the voting rights exercised by the entrusted proxy shall prevail.

Unless otherwise provided in the Company Law and the Articles of Association of the Company, a motion is subject to the consent of the majority of the shareholders' voting rights. When voting, the shareholders shall vote on a case-by-case basis after the chairperson or his/her designated person announces the total number of voting rights of the attending shareholders case-by-case basis,

and the results of the shareholders' consent, objection and abstention shall be entered into the MOPS on the day after the shareholders' meeting.

At the time of the vote, if there is no objection after the chairperson's inquiry, the motion shall be regarded as passed, and it shall bear the same effectiveness as that of voting. If there is any objection, the voting method shall be adopted in accordance with the provisions of the preceding paragraph.

In the case of an amendment or an alternative to the same motion, the chairperson shall combine it with the original motion and determine the order of voting. If one of the motions is passed, the other motion shall be deemed to be vetoed and no further voting shall be required.

The scrutineer of the motion and vote counting personnel shall be designated by the chairperson, but the scrutineer shall be a shareholder.

The results of the vote shall be announced on the spot and recorded accordingly.

When the Company convenes a live stream shareholders' meeting, shareholders who attend the meeting via video conferencing shall participating in voting of each agenda and election after the chairperson announces the beginning of the meeting and vote before the chairperson announces the voting ends; those who fail to vote within the designated time are deemed as abstaining their rights of votes. During a shareholders' meeting convened via video conferencing, the votes shall be calculated once after the chairperson announces the end of voting, and the resolutions and election results should be announced.

When a Company convenes a physical shareholders' meeting with live-stream meeting as an alternative, shareholders who have registered to attend the meeting via video conferencing following Article 6 and intend to attend the physical meeting should withdraw his / her registration in the same way of making the registration 2 days before the meeting; those who miss the due date shall only be allowed to attend the shareholders' meeting via video conferencing.

Shareholders who have exercised their rights of votes by writing or electronically without withdrawing their opinions and attend the meeting via video conferencing are not allowed to vote for the agendas, propose amendments to the agenda, or vote for the amendment on the agenda; they could only participate in exemption of motions.

14. If there is an election of directors in the shareholders' meeting, the election shall be handled in accordance with the election related regulations of the Company, and the results shall be announced on the spot, contains the list of elected directors and the number of voting rights and the list of unsuccessful directors.

The electoral votes for the preceding election shall be sealed and signed by the scrutineer and kept for at least one year. For any lawsuit filed by a shareholder in accordance with Article 189 of the Company Law, such documents shall be kept until the end of the proceedings.

15. The resolutions of a shareholders' meeting shall be recorded in the shareholders' meeting minutes to be signed or sealed by the chairperson, and be distributed to the shareholders within 20 days after the meeting. The preparation and distribution of the meeting minutes may be carried out electronically.

The distribution of the aforesaid meeting minutes may be carried out by way of a public announcement.

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

The resolution of the preceding paragraph is based on the chairperson's inquiry with the shareholders. If the shareholders have no objection to the motion, it shall be recorded that "the motion is passed with no objection after the chairperson's inquiry with all the attending shareholders". However, if the shareholders object to the motion, it shall be recorded that the voting method was adopted as well as the number of voting rights for the motion and the ratio of such voting rights.

For a shareholders' meeting convened via video conferencing, in addition to matters in the preceding paragraph, the proceedings should also include the exact time when the meeting was started and adjourned, the way in which the meeting is convened, the names of the chairperson and the person who takes minutes, and the measures taken when the video conferencing platform or the channel for attending the meeting via video conferencing malfunctions due to natural disasters, accidents, or other unavoidable situations, and the condition of handling such problems.

When convening a shareholders meeting via video conferencing, in addition to following the regulations mentioned in the preceding paragraph, the Company shall also specify in the proceedings the alternatives for shareholder who have problem attending the meeting via video conferencing.

16. The number of shares solicited by the solicitors and the number of shares represented by the proxies, and number of shares represented by shareholders who attend the meeting by writing or electronically, shall be clearly disclosed

in the prescribed statistical form and posted in the venue of the shareholders' meeting on the day of the shareholders' meeting. For a shareholders' meeting convened via video conferencing, the Company shall upload the aforementioned information to the video conferencing platform at least 30 minutes before the meeting begins, and the meeting shall remain disclosed until the meeting is adjourned.

When the Company convenes a shareholders' meeting via video conferencing, as the meeting is announced to begin, the total number of shares represented by shareholders who attend the meeting should be disclosed on the video conferencing platform. When total shares represented by shareholders or weight of votes is calculated during the meeting, such information should be disclosed on the platform, too.

In case a resolution of the shareholders' meeting belongs to major information specified in the decree and by the competent authority, the Company shall transmit the contents to the MOPS within the prescribed time.

17. The chairperson may direct the proctors (or security personnel) to help maintain the order at the meeting. When the proctors (or security personnel) help maintain the order at the meeting, they shall wear an identification card.

For shareholders who violate the rules of procedure, do not follow the chairperson's correction and disturb the conduct of the meeting, the chairperson may direct the proctors or security personnel to ask them to leave the venue.

18. During the course of a meeting, the chairperson may announce a break based on time considerations. In case of a force majeure event, the chairperson may rule the meeting temporarily suspended, and announce a meeting resumption time depending on the situation.

If the meeting venue can no longer be used before the end of the meeting agenda (including extraordinary motions), the shareholders may find another venue to continue the meeting.

A meeting resolution may be made to postpone or continue the shareholders' meeting within 5 days in accordance with the provisions of Article 182 of the Company Law.

19. When a shareholders' meeting is convened via video conferencing, the Company shall disclose the resolutions and election results in real time after the voting is completed on the video conferencing platform. The information should remain publicized for at least 15 minutes after the chairperson announce the meeting is adjourned.

20. When the Company convenes a shareholders' meeting via video conferencing, the chairperson and the person who keeps the minutes should be at the same meeting venue in this country; the chairperson should announce the address of the venue when announcing the beginning of the meeting.
21. When a shareholders' meeting is convened via video conferencing, the Company may help shareholders to conduct simple connection test and offer relevant services in real time before and during the meeting so that shareholders get assistance about technical issues regarding digital communication.

When the shareholders' meeting is convened via video conferencing, the chairperson should, at the time of announcing the beginning of the meeting, announce that except for the matters that may not cause the meeting to be postponed or continued later as specified in Article 44- 20 (2) of Regulations Governing the Administration of Shareholder Service of Public Companies, when any natural disasters, accidents, or other unavoidable conditions cause the video conferencing platform or the channel for connecting to the platform to malfunction for over 30 minutes, the meeting should be postponed or continued within five days after the meeting. Regulations in Article 182 of Company Laws shall not apply to the situation.

Shareholders who did not register to attend the original shareholders' meeting are not allowed to attend the aforementioned postponed or continued meeting.

For the postponed or continued meeting convened according to paragraph 2, shareholders who have registered and checked in for the original shareholders' meeting convened via video conferencing but fail to attend the postponed or continued meeting shall see their number of shares and the voting right they have exercised in the original meeting calculated in the total number of shares, total votes, and election vote rights represented by shareholders present at the postponed or continued shareholders' meeting.

During the postponed or continued shareholders' meeting convened according to provisions in paragraph 2, the agendas that have been through the voting, calculation of votes, and have the resolutions announced, or the names of elected directors or supervisors that have been announced, may not be discussed or resolved again.

When the Company convenes a physical shareholders' meeting with video conferencing as an alternative, and live stream of the meeting cannot continue as in the situations specified in paragraph 2, if the total number of shares represented by shareholder present at the meeting with the shares represented by shareholders who attend via video conferencing deducted, the total number of

shares can still reach the legal threshold for the shareholders' meeting to be effective, the shareholders' meeting shall continue; there is no need to postpone or continue the meeting later according the provisions in paragraph 2.

When the meeting shall be continued as described in the preceding paragraph, the shares represented by the shareholders who attend the meeting via video conferencing shall be included in total number of shares represented in the meeting; yet, they are deemed to abstain the right to vote on all agendas of the meeting.

The Company shall convene the postponed meeting described in paragraph 2 according to provisions in Article 44-20 (7) of Regulations Governing the Administration of Shareholder Services of Public Companies and conduct preparation work based on the date of the original meeting and relevant provisions.

To follow the second paragraph of Article 12 and paragraph 3 of Article 13 in Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Article 44-5, paragraph 2, and the specified time period in Article 44-15, and Article 44-17 (1) in Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall convene the postponed or continued meeting on the date designated according to provisions in paragraph 2.

22. When convening a shareholders' meeting via video conferencing, the Company should provide proper alternatives to shareholders who have problem attending the shareholders' meeting via video conferencing.
23. Matters not stipulated in these Rules shall be handled in accordance with the pro-visions of the Company Law, the Articles of Association of the Company and relevant laws and regulations.
24. The Rules are implemented after the adoption of the resolution in the shareholders' meeting, and the same procedure applies to the amendments.

Appendix 2

CSBC Corporation, Taiwan Articles of Incorporation

Chapter I General Provisions

- Article 1 The Company is organized in accordance with the provisions of the Company Law of the Republic of China, and is known as "CSBC Corporation, Taiwan".
- Article 2 The businesses of the Company are as follows:
- (1) CA01030 Steel casting business
 - (2) CA02010 Metal structure and construction component manufacturing business
 - (3) CB01010 Machinery and equipment manufacturing business
 - (4) CB01030 Pollution control equipment manufacturing business
 - (5) CD01010 Ship and parts manufacturing business
 - (6) CD01030 Automobile and parts manufacturing business
 - (7) E599010 Piping engineering business
 - (8) E601010 Electrical equipment business
 - (9) E603120 Sandblasting engineering business
 - (10) E604010 Mechanical installation business
 - (11) E901010 Painting business
 - (12) EZ15010 Insulation installation works
 - (13) EZ99990 Other engineering business
 - (14) F401021 Telecommunications-control RF equipment import business
 - (15) I599990 Other design business
 - (16) J101040 Waste disposal business
 - (17) CD01070 Business port ship repair business
 - (18) G301011 Shipping business
 - (19) G302010 Boat operation business
 - (20) G402011 Sea shipping contracting business
 - (21) G403010 Ship rental industry
 - (22) G406040 Business port ship barging business

- (23) G406051 Business port cargo tally business
- (24) G406061 Business port cargo ship loading and unloading contracting business
- (25) G407010 Salvage business
- (26) G408010 Maritime rescue business
- (27) ZZ99999 Businesses not prohibited or restricted by law, in addition to the permitted businesses.

Article 3 The office of the Company is located in the Kaohsiung City. If necessary, branch offices of the Company may be established with the approval of the board of directors.

Article 4 The Company may undertake external guarantees due to business needs, and the operations shall be handled pursuant to the endorsement and guarantee related measures of the Company.

Article 5 The announcement method of the Company shall be in compliance with the provisions of Article 28 of the Company Law.

Chapter II Shares

Article 6 The total capital of the Company is set at NT\$11,138,997,170 which is divided into 1,113,899,717 shares at NT\$10 per share which are issued in different batches.

Article 7 The stocks printed by the company shall be numbered and shall be comply with provisions of Article 162 of the Company Law. They shall be signed or stamped by the directors representing the company, and after obtaining the bank visa of the stock issuing visa holder in accordance with the law.
If the shares issued by the Company are not in printed form, the central depository shall be contacted for registration.

Article 8 The Company's shares are all in registered form, unless the Company issues scriptless shares. The share shall bear the real name of the shareholder. If the shareholder is the government or a legal person, the address and the real name of the shareholder or its representative shall be recorded in detail in the Company's shareholders' register. If the legal person is owned by two or more persons, one of them shall be appointed as the representative.

- Article 9 For title transfer of shares, lost shares or destroyed shares, the matter shall be handled in accordance with the Company Law and the “Criteria Governing Handling of Stock Affairs by Public Companies” promulgated by the competent authority.
- Article 10 When a new share is applied for due to share division, defacement or misappropriation, the Company may charge a processing fee.
- Article 11 Shareholders shall submit the specimens of their signatures or seals to the Company for registration for the purpose of collecting dividends or exercising their rights.
- Article 12 Where a shareholder’s seal registered with the Company is lost, damaged or replaced, the matter as well as any other matters relating to the stock affairs of the Company shall be handled in accordance with the “Criteria Governing Handling of Stock Affairs by Public Companies” promulgated by the competent authority.
- Article 13 Share title transfer shall be suspended 60 days before the date of the general shareholders’ meeting, or 30 days before the extraordinary shareholders’ meeting, or 5 days before the date on which the Company decides to distribute dividends, bonuses or other interests.

Chapter III Shareholders’ Meeting

- Article 14 The shareholders' meeting includes the general shareholders' meeting and the extraordinary shareholders’ meeting:
- (1) The general shareholders' meeting is convened at least once a year and is held within 6 months after the end of each fiscal year.
 - (2) The extraordinary shareholders' meeting is convened in accordance with the law when necessary.
- Article 15 The convening procedures of the shareholders' meeting shall be held by video conference or other methods announced by the central competent authority, and be handled in accordance with the provisions of the Company Law, the Securities Exchange Law and the relevant laws and regulations.

Article 16 Unless otherwise provided in the Company Law, the chairman of the board shall be the chairman of the shareholders' meeting. If the chairman of the board is on leave or for any reason unable to exercise his or her duties, the chairman of the board shall appoint a director as the agent. If the chairman of the board does not make an appointment, the directors shall elect one of them to be the agent.

Article 17 For the passing of a resolution in a shareholders' meeting, unless otherwise provided in the Company Law, the shareholders' meeting shall be attended by more than half of the shareholders, and the resolution shall be approved by more than half of the attending shareholders before its implementation.

Article 18 Each share of the shareholder has one voting right, but the shareholder with any of the circumstances in Paragraph 2 of Article 179 of the Company Law shall have no voting rights.

Article 19 When a shareholder is unable to attend the shareholders' meeting for any reason, he/she shall handle the matter in accordance with the provisions of the Rules Governing the Use of Proxies for Attendance at Shareholder Meetings promulgated by the competent authority.

Article 20 The shareholders' meeting shall be handled in accordance with the rules of procedure of the shareholders' meeting of the Company.

The resolutions of the shareholders' meeting shall be recorded in the meeting minutes which shall be signed or sealed by the chairman and distributed to the shareholders within 20 days after the meeting. The meeting minutes together with the shareholders' sign-in register and the power of attorneys shall be kept at the Company.

The aforesaid meeting minutes may be produced electronically. The aforesaid meeting minutes may be distributed by way of a public announcement.

Chapter IV Directors and Audit Committee

Article 21 The Company has 10 to 15 seats of directors, and the candidates shall be nominated by the shareholders from the list of candidates.

The term of directors shall not exceed three years, but directors may be re-elected.

According to the provisions of Article 14.2 of the Securities Exchange Law, at least three among the aforesaid directors of the Company shall be independent directors. The professional qualifications, shareholdings, part-time job restrictions, determination of independence and method of nomination of the independent directors and other matters to be followed shall be handled in accordance with the relevant securities management laws and regulations.

Independent directors and non-independent directors shall be nominated separately. The election shall be held jointly, but the seats shall be calculated separately.

The minimum shareholding ratio of all the directors of the Company shall be in compliance with the relevant securities management laws and regulations.

In order to diversify the risk of directors' liabilities, the Company shall, within their term of office, purchase liability insurance for them in respect of their business scopes for the liabilities they shall bear in accordance with the law.

Article 22 The remuneration of the directors of the Company is entrusted to the board of directors to determine, with the consideration of the value of their participation in the Company's operation, their contribution and the remuneration of the directors of peer companies.

Other benefits may be granted to the chairman of the board in accordance with the relevant provisions concerning the remuneration of practitioners in the business.

Article 23 For a shortfall of one-third of the directors' seats, an extraordinary shareholders' meeting shall be held in accordance with the provisions of the Company Law for an election of the directors.

In the event of a vacancy of a director from the government or a legal person, the government or the legal person shall appoint another representative to make up the original term.

Article 24 The authority of the board of directors is as follows:

1. Approving the Company's business plan.
2. Approving the Company's financial statements.
3. Establishing or amending the internal control system in accordance with the provisions of Article 14.1 of the Securities Exchange Law.
4. Establishing or amending the procedures for major financial activities such as the acquisition or disposal of assets, engagement in derivative transactions, loans to others and endorsements or guarantees according to the provisions of Article 36.1 of the Securities Exchange Law.
5. Fund raising, issuing or private fund raising of securities with the nature of equity.
6. Hiring and dismissal of financial, accounting or internal audit managers.
7. Donations to related parties or significant donations to non-related parties. Public welfare donations due to major natural disasters may be recognized in the next board meeting.
8. Issues which shall be decided in the shareholders' meeting or proposed in the board meeting, or major issues specified by the competent authority as stipulated in Article 14.3 of the Securities Exchange Law and other laws or regulations.

Article 25 The Company has set up the Audit Committee in accordance with the provisions of Article 14.4 of the Securities Exchange Law. The Audit Committee's responsibilities, organization rules and other matters to be followed shall be handled in accordance with the provisions of the Company Law, the Securities Exchange Law, other relevant laws and regulations and the rules and regulations of the Company.

Article 26 For the setup of the board of directors, more than two-thirds of the directors shall be present at the meeting and the consent of the majority of the attending directors shall be obtained. A chairman shall be elected among the directors to perform all the affairs of the Company in accordance with the decrees, articles of association, and the resolutions of the shareholders' meeting and the board meeting. The chairman of the board internally is

the chairman of the shareholders' meeting and the board meeting, and externally represents the Company.

If the board meeting is conducted via video, the directors shall be deemed to be present in person via video.

Article 27 Except that the first board meeting of each term of directors shall be convened by the director with votes representing the most voting rights or in accordance with the provisions of the Company Law, the other board meetings shall be convened by the chairman of the board. The notice of the board meeting shall state the date, venue and cause of the meeting, and the directors and supervisors shall be notified in writing or electronically 7 days ago. In case of an emergency, a board meeting may be convened at any time. If the meeting notice is to be sent by electronic means, it is subject to the consent of the counterparties.

Article 28 The chairman is also the chairman of the board. If the chairman of the board can not perform his/her duty for any reason, he/she shall appoint one of the directors to act as the agent. If the chairman does not make the appointment, then the directors shall elect one of them to be the agent.

Article 29 For the passing of a resolution in a board meeting, except as otherwise provided in the Company Law, the board meeting shall be attended by more than half of the directors, and the resolution shall be approved by more than half of the attending directors before its implementation.

Article 30 The director may, pursuant to Article 205 of the Company Law, issue a power of attorney and list the scope of authorization to appoint another director to attend the board meeting. The appointed director may exercise the voting rights within the scope of authorization, but each director may accept the authorization of one person only. A director living abroad may appoint another director in writing to attend the board meeting on a regular basis.

Chapter V Human Resources

Article 31 The Company has one general manager and several managers. The appointment, dismissal and remuneration of the managers

shall be handled in accordance with the provisions of Article 29 of the Company Law.

Article 32 The general manager shall handle the affairs of the Company under the supervision of the board of directors. The managers shall assist the general manager in the duties of the general manager, and shall have the right to sign on behalf of the Company within the scope of the approved regulations or written authorization of the general manager.

Article 33 The general manager may hire other employees required by the Company within the number of employees approved by the board of directors.

Chapter VI Financial Statements

Article 34 At the end of each accounting year of the Company, the following documents shall be prepared by the board of directors for delivery to the audit committee 30 days before the general shareholders' meeting for review and then submission to the shareholders' meeting for recognition:

1. The business report
2. The financial statements
3. The motion concerning earnings distribution or loss make-up

Article 35 If the Company has a profit for the year, it shall distribute an employee bonus of not less than 1 percent and not more than 5 percent of the profit, and the payment may be made in share or in cash. The directors' remuneration shall not be more than 1 percent of the profit. However, if the Company still has an accumulated loss, it shall make up for the loss first.

The profit for the current year in the first paragraph refers to the pre-tax profit for the current year before the deduction of the employee bonus and the directors' remuneration.

For the distribution of the employee bonus and the directors' remuneration, the board meeting shall be attended by more than two-thirds of the directors, and the resolution shall be approved by more than half of the attending directors. The payment shall be made in one go.

Article 35.1 If there is a surplus after the current year's accounts, the Company shall first pay the business income tax according to law and make up for the accumulated loss in the previous years. If there is a balance, the Company shall appropriate 10% of it as the statutory surplus reserve. However, if the statutory surplus reserve has reached the total amount of paid-in capital, then this requirement does not apply. A special surplus reserve shall then be appropriated according to Article 41 of the Securities Exchange Law. If there is still a balance, the board of directors shall draft a distribution proposal for the resolution of the shareholders' meeting and the distribution afterwards.

The Board of Directors may distribute all or part of the dividends and bonuses, capital surplus or legal reserve in cash, on condition that more than 2/3 of the Board have attended the meeting and more than half of the attendees approved, and a report shall be submitted to the shareholder's meeting. Resolution via shareholder's meeting as mentioned in the preceding paragraph shall not apply.

In accordance with the Company's operating environment, growth, future capital needs and long-term financial planning, as well as to meet the shareholders' cash needs, the Company may appropriate more than 10% of the aforesaid distributable earnings as cash and stock dividend. The proportion of cash dividend shall not be less than 10% of the total dividend.

Chapter VII Supplementary Provisions

Article 36 The Company's organization rules and important rules of business dealing, and the division of responsibilities among the board of directors, the chairman of the board and the general manager shall be approved by the board of directors. The details of the duties of the management department shall be approved by the general manager.

Article 37 If the Company revokes its public offering in future, it shall propose the resolution to the shareholders' meeting and shall not change the provisions during the listing period.

Article 38 Matters not stipulated in the Articles of Association shall be handled in accordance with the provisions of the Company Law and other relevant laws and regulations.

Article 39 The Articles of Association were established on July 27, 1973.

No.	Amendment date	Remarks
1	February 16, 1974	Passed in the 1974 extraordinary shareholders' meeting.
2	November 18, 1975	Passed in the 1975 extraordinary shareholders' meeting.
3	July 16, 1976	Passed in the 1976 general shareholders' meeting.
4	January 27, 1977	Passed in the 1977 general shareholders' meeting.
5	December 20, 1977	Passed in the 1977 extraordinary shareholders' meeting.
6	December 14, 1978	Passed in the 1978 general shareholders' meeting.
7	December 20, 1979	Passed in the 1979 general shareholders' meeting.
8	December 19, 1980	Passed in the 1980 general shareholders' meeting.
9	April 9, 1982	Passed in the 1982 general shareholders' meeting.
10	March 8, 1983	Passed in the 1983 general shareholders' meeting.
11	December 20, 1983	Passed in the 1983 general shareholders' meeting.
12	December 18, 1984	Passed in the 1984 general shareholders' meeting.
13	December 17, 1985	Passed in the 1985 general shareholders' meeting.
14	December 30, 1986	Passed in the 1986 general shareholders' meeting.
15	October 27, 1987	Passed in the 1987 general shareholders' meeting.
16	September 13, 1988	Passed in the 1988 general shareholders' meeting.
17	September 29, 1989	Passed in the 1989 general shareholders' meeting.
18	May 29, 1990	Passed in the first 1990 extraordinary shareholders' meeting.
19	December 10, 1990	Passed in the 1990 general shareholders' meeting.
20	April 24, 1992	Passed in the 1991 general shareholders' meeting.
21	November 5, 1992	Passed in the 1992 general shareholders' meeting.
22	February 11, 1993	Passed in the 1992 extraordinary shareholders' meeting.

23	October 27, 1995	Passed in the 1995 general shareholders' meeting.
24	December 27, 1995	Passed in the second 1995 extraordinary shareholders' meeting.
25	September 20, 1996	Passed in the 1996 general shareholders' meeting.
26	September 30, 1997	Passed in the 1997 general shareholders' meeting.
27	March 25, 1998	Passed in the first 1998 extraordinary shareholders' meeting.
28	June 15, 2000	Passed in the first 2000 extraordinary shareholders' meeting.
29	June 8, 2001	Passed in the 2001 general shareholders' meeting.
30	June 14, 2002	Passed in the 2002 general shareholders' meeting.
31	December 9, 2002	Passed in the first 2002 extraordinary shareholders' meeting.
32	December 9, 2002	Passed in the first 2002 extraordinary shareholders' meeting.
33	June 23, 2003	Passed in the 2003 general shareholders' meeting.
34	June 23, 2003	Passed in the 2003 general shareholders' meeting.
35	September 5, 2003	Passed in the first 2003 extraordinary shareholders' meeting.
36	September 5, 2003	Passed in the first 2003 extraordinary shareholders' meeting.
37	November 28, 2003	Passed in the second 2003 extraordinary shareholders' meeting.
38	November 28, 2003	Passed in the second 2003 extraordinary shareholders' meeting.
39	June 16, 2006	Passed in the 2006 general shareholders' meeting.
40	March 1, 2007	Passed in the first 2007 extraordinary shareholders' meeting.
41	December 14, 2007	Passed in the second 2007 extraordinary shareholders' meeting.
42	March 24, 2008	Passed in the first 2008 extraordinary shareholders' meeting.
43	February 13, 2009	Passed in the first 2009 extraordinary shareholders' meeting.
44	June 23, 2009	Passed in the 2009 general shareholders' meeting.
45	June 13, 2012	Passed in the 2012 general shareholders' meeting.
46	June 26, 2013	Passed in the 2013 general shareholders' meeting.
47	June 26, 2014	Passed in the 2014 general shareholders' meeting.

48	June 23, 2016	Passed in the 2016 general shareholders' meeting.
49	June 26, 2019	Passed in the 2019 general shareholders' meeting.
50	June 17, 2020	Passed in the 2020 general shareholders' meeting.
51	June 22, 2022	Passed in the 2022 general shareholders' meeting.

Appendix 3

The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate.

The Company has no right of distribution and does not apply.

Appendix 4

Shareholding of Directors

(Shareholding number of all directors, date as of May 2 2023)

Title	Name or Legal person name	Shareholder no. or Identification number	Number of shares held	Shareholding ratio
Chairman	Ministry of Economic Affairs Representative: CHENG, WEN-LON	1	105,070,366	11.25%
Director	Ministry of Economic Affairs Representative: WEI, CHENG-TZU	1	105,070,366	11.25%
Director	Ministry of Economic Affairs Representative: JHANG, YI-DE	1	105,070,366	11.25%
Director	Ministry of Economic Affairs Representative: LI, GUO-JI	1	105,070,366	11.25%
Director	Ministry of National Development Fund, Executive Yuan: WU, WEN-KUEI	174964	136,032,305	14.57%
Director	Ministry of National Development Fund, Executive Yuan: LIN, CHIH-LUNG	174964	136,032,305	14.57%
Director	Ministry of National Development Fund, Executive Yuan: MAO, ZHEN-TAI	174964	136,032,305	14.57%
Director	Ministry of National Development Fund, Executive Yuan: WANG, CHAU-CHANG	174964	136,032,305	14.57%
Director	Ministry of Economic Affairs Representative: LU, WEN-TSAN	174963	64,603,733	6.92%
Director	Ministry of National Defense Industrial Development Foundation: FANG, MAO-HUNG	188464	53,571,428	5.73%
Director	CPC (Corporation, Taiwan Representative): YIN LING- YING	2	23,777,487	2.54%
Director	Kaohsiung City Representative of Industrial Labor Union of CSBC: SYU, HAN-SYUN	47213	801,259	0.08%
Independent Director	LIN, HUI-JENG	X100*****	0	0

Title	Name or Legal person name	Shareholder no. or Identification number	Number of shares held	Shareholding ratio
Independent Director	LIEU, DER-MING	R102*****	0	0
Independent Director	CHEN, CHIH-YANG	C120*****	0	0
Total number of shares held			383,856,578	41.09%

Note:1.The Company's paid-up capital of NT \$9,335,145,680 and issued shares of 933,514,568.

2.In accordance with the provisions of Article 26 of the Securities Exchange Act, all directors of the Company shall have a minimum of 29,872,467 shares.

Appendix 5

Other explanations:

The shareholders meeting, shareholder proposal processing instructions:

1. According to Article 172-1 of the Company Act, shareholders holding 1% or more of the total number of outstanding shares of the company may propose to the company a proposal for discussion at a regular shareholders' meeting in writing or by the way of electronic transmission, provided that only one matter shall be allowed in each single proposal, however, a shareholder proposal proposed for urging the company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors, and the number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words.
2. The Company shareholders' meeting will accept the application for shareholders, the period is 2023/4/21 to 2023/5/2, and has been published in accordance with the law at the Public information observatory
3. No shareholder's proposal was received before the proposal deadline