

Stock Code:6230



**Nidec Chaun-Choung Technology Corporation**  
**(Original: Chaun-Choung Technology Corporation)**

**2022 Annual Shareholders Meeting Handbook**

(Translation Version)

Date of meeting : June 20, 2022 (Monday), 9:00 a.m.

Place : No. 67, Section 1, GuangFu Road, Sanchong District, New Taipei City  
(Jen Hour Restaurant, Conference Room)

**Convening as an entity shareholders meeting**

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# **I. Meeting Agenda**

## **Nidec Chaun-Choung Technology Corporation (Original: Chaun-Choung Technology Corporation) 2022 Annual Shareholders Meeting Agenda**

**Date of meeting:** June 20, 2022 (Monday), 9:00 a.m.

**Place:** No. 67, Section 1, GuangFu Road, Sanchong District, New Taipei City  
(Jen Hour Restaurant, Conference Room)

### **Meeting Agenda:**

- I. Call the Meeting to Order (report on number of shareholders present).**
- II. Chairman’s Address**
- III. Report Items**
  - (I) The 2021 Business Report.
  - (II) The 2021 Supervisor’s Review Report.
  - (III) Report on 2021 Employees’ profit sharing bonus and Directors as well as Supervisors’ compensation.
  - (IV) Report on the amendment of “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”.
  - (V) Report on the amendment of “Codes of Ethical Conduct”.
  - (VI) Report on the amendment of “Rules of Procedure for the Board of Directors.”
- IV. Proposed Resolutions**
  - (I) The 2021 Business Report and Financial Statements for Recognition.
  - (II) The 2021 Earnings Distribution for Recognition.
- V. Matters for Discussion**
  - (I) Amendment of the Articles of Incorporation.
  - (II) Establishment of “Election and Appointment of Directors of Board.”
  - (III) Amendment of “Procedure for Acquisition and Disposal of Assets”

## **VI. Election Motions**

(I) Reelection of directors of board of the Company.

## **VII. Additional Discussion**

(I) Unrestricting of Non-competition of New Appointed Directors of Board.

## **VIII. Extempore Motions**

## **IX. Meeting Adjourned**

# **I. Report Items**

### **Item No. 1:**

**Agenda: The 2021 Business Report of the Company.**

Description: The 2020 Business Report of the Company, please refer to Annex I (pp.11-15).

### **Item No. 2:**

**Agenda: The 2021 Supervisor's Review Report.**

Description: (I) The 2021 Business Report, Consolidated Financial Statements, Standalone Financial Statements and the 2021 Earnings Distribution have been reviewed by the Supervisor with the issuance of the Review Report.

(II) Supervisor's Review Report, please refer to Annex II (p.16)

### **Item No. 3:**

**Agenda: Report on 2021 Employees' profit sharing bonus and Directors as well as Supervisors' compensation.**

Description: (I) Implemented in accordance with Article 20 of the Articles of Incorporation.

(II) The 2021 Employees' profit sharing bonus and Directors as well as Supervisors' compensation of the Company have been reviewed by the Remuneration Committee and passed by the Board on March 24, 2022. The amount of 2021 Employees' profit sharing bonus is

NT\$14,098,701, the Directors and Supervisors' compensation is NT\$2,389,050, both of them will be fully paid in cash.

**Item No. 4:**

**Agenda: Report on the amendment of “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”.**

Description: As dictated by operation needs and the newest announcement by R.O.C. Financial Supervisory Commission, NCCI has revised partial provisions of “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” of the Company. The Comparison Table of the provisions for Before and After amendment is shown as Annex III-1 and III-2 (pp.17-24).

**Item No. 5:**

**Agenda: Report on the amendment of “Codes of Ethical Conduct”.**

Description: Repealing of “Codes of Ethical Conduct for Directors of Board, Supervisors and Managers” and amendment of “Codes of Ethical Conduct” are proposed for the establishment of “Audit Committee” in 2022 according to legal requirement. Articles are shown in Annex IV (pp.25-26.)

**Item No. 6:**

**Agenda: Report on the amendment of “Rules of Procedure for the Board of Directors”.**

Description: Some articles in “Rules of Procedure for the Board of Directors” of the Company are revised to meet the requirements of operation according to announced “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” by FSC of government. Comparison table of revised articles are shown in Annex V (pp.27-29.)

## II. Proposed Resolutions

**Item No. 1:** (Proposed by the Board)

**Agenda: The 2021 Business Report and Financial Statements of the Company for Recognition**

Description: (I) The 2021 Business Report and Financial Statements of the Company have been passed by the Board. The Financial Statements have been audited by Hsin-Yi Kuo and Hui-Chih Ko, certified public accountants from KPMG Taiwan, with the issuance of Independent Auditors' Report on record. These statements and Independent Auditors' report have been reviewed by the Supervisor with the issuance of Review Report.

(II) The information on 2021 Business Report, Independent Auditors' Report and Financial Statements, please Refer to Annex I (pp.11-15), Annex VI and Annex VII (pp.30-44).

(III) For recognition.

Resolution:

**Item No. 2:** (Proposed by the Board)

**Agenda: The 2021 Earnings Distribution of the Company for Recognition.**

Description: (I) The Proposal for the 2021 Earnings Distribution of the Company has been passed by the Board and reviewed by the Supervisor. The 2021 Earnings Distribution Table, please Refer to Annex VIII (p.45).

(II) The Board shall be authorized to set the Ex-dividend day when this motion is passed by the annual Shareholders Meeting. Where new shares may be offered for raising capital or the Company may repurchase outstanding shares being issued, and other factors, that may affect the total quantity of outstanding shares and the dividend rate is also affected. The Company requests the Shareholders Meeting to authorize the Board to make adjustment to the dividend rate and related matters.

(III) For recognition.

Resolution:

### III. Matters for Discussion

**Item No. 1:** (Proposed by the Board)

**Agenda: Amendment of the “Articles of Incorporation” of the Company for discussion and resolution.**

Description: (I) As dictated by operation needs, NCCI moves to revise the “Articles of Incorporation”. The Comparison Table of the provisions for Before and After amendment, please refer to Annex IX (pp.46).

(II) For resolution.

Resolution:

**Item No. 2:** (Proposed by the Board)

**Agenda: Establishment of “Election and Appointment of Directors of Board” for discussion and resolution.**

Description: (I) Repealing of “Election of Directors of Board and Supervisors” and new development of “Election and Appointment of Directors of Board” are proposed according to the template announced by Stock Exchange of Taiwan to meet relevant legal requirement. Articles are shown in Annex X (pp.50-52.)

(II) For resolution.

Resolution:

**Item No. 3:** (Proposed by the Board)

**Agenda: Amendment of “Procedure for Acquisition and Disposal of Assets” for discussion and resolution.**

Description: (I) “Procedure for Acquisition and Disposal of Assets” of the Company is revised according to the announcement No.1110380465 with partial amended “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” by FSC of government on Jan. 28<sup>th</sup> of 2022. Comparison table of revised articles are shown in Annex XI (pp.53-55.)

(II) For resolution.

Resolution:



## IV. Election Motions

### Item No.1:

(Proposed by the Board)

### Agenda: Reelection of directors of board of the Company.

Description: (I) Terms of office of present directors and supervisors are expired on Jan. 28<sup>th</sup> of 2022. Reelection of board members will be executed in this stockholders' meeting.

(II) Nomination and election for 13 directors of Board of the Company including 4 independent directors is conducted. New elected directors including independent directors will assume their post from the date of being elected. Their 3-year-terms in office will be from June 20th of 2022 to June 19th of 2025. Terms of office of present directors and supervisors are prolonged to the reelection of new director in the shareholders' meeting according to legal regulation.

(III) The list of candidates of the Director of Board of the Company is shown in below.

The Candidates of the Director					
Name	Educational and Professional Qualifications	Main Experiences	Current Post	Number of Company shares held	The Name of Legal Person represented
Junichi Nagai	Bachelors of Economics, Yokohama National University Nidec	Department head of Oversea Business, Nidec Corporation	Chairman and concurrent CEO of Nidec CCI Corporation; Director of Nidec JCI Corporation; Chairman of Nidec CSI Corporation; Chairman of Nidec Chaun Choung Vietnam Corporation	74,448,982	Nidec Corporation
Yasuhiro Mase	BA in Japanese Literature, School of Humanities, Shinshu University Japan; Indian Institute of Management, Ahmedabad, India, Graduated MBA	Head of Revenue Management Team and Team Leader, Global Performance Management Department of Nidec Corporation	CFO of Nidec CCI Corporation.; CFO of Nidec JCI Corporation; Director of Nidec JCI Corporation; Director of Nidec CSI Corporation; Director of Nidec Chaun Choung Vietnam Corporation	74,448,982	Nidec Corporation
Masahiro Hishida	Doshisha University	Executive Director (VP) of Nidec Corporation	Nidec Copal Corporation CEO	74,448,982	Nidec Corporation

	Faculty of Economics Bachelor				
Eiji Miyamoto	Chubu Institute of Technology Electrical Engineering Bachelor; Nidec Corporation Small Precision Motor & Solutions Business Unit Design Engineering Department 2 manager	Nidec Shiga Technical Center director; Executive Director of Nidec Corporation Nidec Corporation Small Precision Motor & Solutions Business Unit Design Engineering Department 2 manager; Nidec Servo Corporation director; Nidec Taiwan Corporation director; Nidec America Corporation director; Nidec (Dalian) Limited director; Nidec (Dongguan) Limited director	Executive Director of Nidec Corporation	74,448,982	Nidec Corporation
Hidetoshi Matsuhashi	University of Toyama School of Economics Bachelor	Small Precision Motor & Solutions Business Unit manager of Nidec Corporation; Director of Nidec Electronic (Tailand) Ltd.	Small Precision Motor & Solutions Business Unit manager of Nidec Corporation; Director of Nidec Electronic (Tailand) Ltd.	74,448,982	Nidec Corporation
Yoshihiro Matsuda	Doshisha University Faculty of Economics Bachelor	Small Precision Motor & Solutions Business Unit CFO of Nidec Corporation	Small Precision Motor & Solutions Business Unit CFO of Nidec Corporation	74,448,982	Nidec Corporation
Hiroki Hayashi	Bukkyo University Faculty of Sociology Bachelor	Nidec (Shanghai) International Trading Co., Vice Chairman	Nidec (Shanghai) International Trading Co., Chairman	74,448,982	Nidec Corporation
Akio Tatsumi	Fukui University of Technology Faculty of Engineering Bachelor	President of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.	Chairman of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.	74,448,982	Nidec Corporation
Yuuji Kinura	Ritsumeikan University, Department of Electrical Engineering, Bachelor	President of Nidec (Dongguan) Precise Motor Tech. Ltd.; President of Nidec (Dalian) Limited	President of Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd.	74,448,982	Nidec Corporation
The Candidates of the Independent director					
Name	Educational and Professional Qualifications	Main Experiences	Current Post	Number of Company shares held	The Name of Legal Person represented
Ke-Wei Hsu	Bachelor of National Taiwan	Senior consultant of Jones Day Legal Office;	Legal Consultant of Holding Disp. Co.,	0	Not available

	University; Master of Laws, University of Pennsylvania School of Law; MBA, Wharton School, University of Pennsylvania	Chief Legal Officer of NeoBards Entertainment Ltd.	Ltd.; Chief Legal Officer of NeoBards Entertainment Ltd.; Independent director of President Chain Store Corporation		
Wen-Yeu Wang	Doctor of legal of Stanford Law School; Master of legal of Columbia University; Bachelor of legal of National Taiwan University	Member of the Fair Trade Commission of the Executive Yuan, Director of the Cooperative Treasury, Supervisor of the Taiwan Futures Exchange, Supervisor of the Taiwan Law Society, Director of the Corporate and Financial Law Research Center of the National Taiwan University School of Law, and Lawyer of Sullivan & Cromwell Law Firm in New York, USA Attorney at Lee & Li Law Firm	Professor at National Taiwan University School of Law; President of the Asian Association of Law and Economics (AsLEA); Independent director of KGI Securities Co., Ltd. Independent director Creative Electronics Co., Ltd. Independent director Fine Materials Technology Co., Ltd.	0	Not available
Alex Lien	MBA, State University of New York at Buffalo; Bachelor of Accounting, National Chengchi University; Qualified of New York State CPA Exam; Qualified of the ROC CPA Exam	Chief Financial Officer of Hazens Technology Co., Ltd.; VP of Underwriting Department, Hwu Nan Yongchang Securities Co., Ltd.; Special Assistant of Shenao International Enterprise Vice President and Spokesperson of Guoding Biotechnology	Independent director of Trinity Precision Tech. Co.Ltd.	0	Not available
Chien-Hung Chou	Master of Institute of Accounting, Cultural University; Bachelor of Economics, Feng Chia University; Completion of the Master's Degree in Law at National Taipei University; Examination Institute Professional Examination	Manager, Capital Markets Division, Taishin Securities Manager of Investment Banking Department, Yuanta Securities (Shares) Deputy Chief of Underwriting Department, Yongfeng Gold Securities (Shares) An Hou Jianye Certified Public Accountants	Partner of TAXCPA	0	Not available

Accountant Exam qualified; China Intangible Assets and Enterprise Evaluation Association CABIAV CVA				
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(III) Please proceed with the election.

Election Result:

## V. Addintioanl Discuession

**Item No.1:**

(Proposed by the Board)

**Agenda:** Unrestricting of Non-competition of New Appointed Directors of Board for discussion.

Description: (I) Behaivors of the directors same as the Company opertated business should be reported to and approved by stockholders' meeting according to Article 209th of "Company Act." Unrestricting of non-competition of these cadidates of directors and representatives of board of the Company from the date of post assuming is proposed to the stockholders' meeting for approval with the premise of no detriment to the interest of the Company.

(II) List of concurrent positions of directors and other representatives is shown as below.

(III) For discussion.

List of Non-competition of Directors and Independent Directors

Names of Candidate	Non-competition Copnmanies and Titles
Corporate director representative: Jubichi Nagai	Chairman of Nidec JCI Corp. Chairman of Nidec CSI Corp. Chairman of Nidec Chaun Choung Vietnam Corporation
Corporate director representative: Yasuhiro Mase	Director of Nidec JCI Corp. Director of Nidec CSI Corp. Director of Nidec Chaun Choung Vietnam Corporation
Corporate director representative: Masahiro Hishida	Nidec Corporation, USA Chairman Executive Director of Nidec Corporation
Corporate director representative: Eiji Miyamoto	Executive Director of Nidec Corporation

Corporate director representative: Yoshihiro Matsuda	Small Precision Motor & Solutions Business Unit CFO of Nidec Corporation
Corporate director representative: Hidetoshi Matsubishi	Small Precision Motor & Solutions Business Unit manager of Nidec Corporation
Corporate director representative: Akio Tatsumi	Chairman of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.
Ke-Wei Hsu	Legal Consultant of Holding Disp. Co., Ltd.; Independent director of President Chain Store Corporation
Wen-Yeu Wang	Independent director of KGI Securities Co., Ltd. Independent director Creative Electronics Co., Ltd. Independent director Fine Materials Technology Co., Ltd.
Alex Lien	Independent director of Trinity Precision Tech. Co.Ltd.
Chien-Hung Chou	Partner of TAXCPA

(IV) For resolution.

## **VI.Extempore Motions**

## **VII. Meeting Adjourned**

## II. Annexes

### [Annex I]

#### Nidec Chaun-Choung Technology Corporation

#### The 2021 Business Report

##### I. The 2021 Business Report

###### (I) The implementation results of the 2021 Business Plan

The Company generated consolidated net revenues totaling NT\$11,011,928 thousands in 2021, up 21% from the NT\$9,123,421 thousands in 2020. Pre-tax profit was concluded at NT\$512,508 thousands, down 52% from the NT\$1,076,963 thousands in 2020; net income amounted to NT\$349,664 thousands, representing an EPS of NT\$4.05 that were 55% lower than the previous year with net income NT\$782,398 and EPS of NT\$9.06. Due to COVID-19 pandemic, demands of PC(NB/DT), gaming/entertainment, network communication, servers, data centers and high performance computing is speedily growing for the increasing requirements of work-from-home and stay-at-home economy. Quality and revenue of cooling devices are growing accompanied with the rising of performance, computing efficacy and power consumption. However, several factors such as supply chain unbalance, lower logistic on-time rate, the relative historical highest global prices of metal material (Copper, Aluminum, Tin, Nickel and etc.), continual appreciation of New Taiwan Dollar leads the increasing of operation costs and the decreasing of profits due to global economy rapid change and pandemic sustaining.

The overview of heat cooling industry nowadays, as the related technology of Cloud, Artificial Intelligence (AI) and 5G has developed maturely gradually, the application of heat cooling products focused on personal devices related to PC industry has expanded to the fields of smart phones, Cloud Data Centers, IoT, automobiles, communications, information computing facilities as well as smart home appliances. In order to meet the diversified demands of the market, NCCI provides a wider array of cooling related products. The Company will continue to deepen the relationship of the existing customers and actively develop the heat cooling solutions in the fields of automotive electronics cooling, cloud computing center cooling, handheld devices, gaming consoles, high power air cooling systems as well as liquid cooling systems to satisfy the market demands. To invest the product development driven by related applications such as EV, AI, IoT and 5G is the goal of the Company, in addition, comprehensively enhancing the connection with the key global regions / customers to strengthen the services for existing customers and develop new customers.

Besides focusing on cooling devices for the smart phones, laptops and servers have been getting lighter, slimmer and higher efficiency in performance. Nidec Chaun-Choung has successfully developed a number of cooling solutions for electronic products which are also in mass production in recent years, such as Gaming NB with overclocking thermal modules, Action Cameras with slim and light heat sink components, high-density & High Performance Computing (HPC) workstation-grade server thermal modules and Advanced Driver Assistance Systems (ADAS) with liquid-cooling solutions. Further, the technology of the products with copper vapor chamber developed by Nidec Chaun-

Choung, no matter is ultra-slim vapor chamber or high-performance vapor chamber, the technology is maturity and has been recognized by major cell phone and network communication customers around the world with successful launch into the market and mass production. Recently, based on this successful experience, Nidec Chaun-Choung is endeavouring towards the research and development of more stringent requirement cooling solutions, such as vehicle-mounted, electrical and electronic products, which require higher performance in cooling, stronger strength, lighter in weight. The usage of new materials will be based on the successfully developed copper production process, which will further extend to new equipment and new production technology. Refine key welding and vacuum technology to overcome the physical bottleneck of design and manufacturing for different materials. It is expected to achieve ultra-slim thickness of less than 0.3 mm and high performance with a pressure resistance of more than 300 pounds as a unique cooling solution for particular demands.

It is the fourth year after joining the Nidec Group. We are striving for being the leader in comprehensive cooling solutions. Through technology support from our Japanese headquarter, the synergy has already yielded. Furthermore, the first phase construction of the plant in Vietnam is accomplished in 2021. Group production arrangement can flexiably meet the expectation and requirements of various customers in diversing markets by grothing of the group production capacity and risk diversification of single production site. In terms of product strategy, the Company will continue exploring slimmer, smaller, more structurally robust and more heat cooling-efficient solutions in response to the trend of more diversified cooling applications. The Company will concentrate on the applications such as Artificial Intelligence (AI), Internet of Things (IoT), Cloud, 5G, High Performance Computing (HPC), smart home appliances, gaming, Metaverse and automobiles (EV), with application and intergriting of air cooling and liquid cooling solutions to satisfy the market demands and expand the operational scale. As for the uncertainties, risks of global geopolitical security changes, material price fluctuations, inflation, supply chain unbalance resulted form COVID-19 pandemics and price competition of prodcuts are regarded as factors. The Company will work on the optimization of production process to improve production capacity and productivity, continue the innovation in technology, products and applications, with the suitable rearrangement of the production sites for assurance of core competence and synergy to surpass industry peers.

(II) Budget execution: according to the “Regulations Governing the Publication of Financial Forecasts of Public Companies”, the Company is not required to disclose information regarding budget execution and analysis in 2021, as the Company did not release the information of financial forecasts in 2021.

(III) Revenue, Expenditure and profitability analysis

Currency unit: NTD thousands

		Year	2020	2021
Item				
Financial Income and Expenditure	Operating Revenue		9,123,421	11,011,928
	Gross Profit from Operation		1,982,682	1,729,957
	Net Profit		782,398	349,664
Profitability	Return on Assets (%)		9.80	3.68

	Return on Equity (%)	18.47	7.70
	Pre-tax Profit as a percentage of Paid-up Capital (%)	124.73	59.35
	Net profit rate (%)	8.57	3.17
	Basic Earnings per Share (NT\$)	9.06	4.05

(IV) Research and Development

1. Research and Development Expenses in the last two years

Currency unit: NTD thousands

Item	Year	2020	2021
	R&D Expenses		327,933
As a Percentage of Current Year Revenue (%)		4.00	4.60

2. Research and Development Outcomes

- (1) Automatic production equipment: accomplishment of the development of heat pipe automatic production line is expected to reduce 75% workforce demands and promote 30% of productivity.
- (2) Laptop computers: accomplishment of the development for cooling solution of Intel Gen12 CPU (Alder Lake).
- (3) High efficiency air-cooling solution: accomplishment of the development for cooling solution of 500Watts/800Watts/ 1000Watts.
- (4) Advanced gaming laptop computers: accomplishment of mass production of vapor chambers applied to the world thinnest, 1.4mm, gaming laptop computers.

**II. Summary of 2022 Business Plan**

(I) Operational Guidelines

1. Integrate internal management systems of the Company, obtain timely information to improve the efficiency and quality of decisions making.
2. Combining the resources of Nidec to expand global competitiveness as well as vision and speed up future market expansion.
3. Continuously intensify the development of the supply chain and effectively control the flexibility of supply via VMI management.
4. Proactively establish good relationships with customers, satisfy various needs requesting by customers. Improve the timeliness of customer complaint handling, adopt corrective and preventive action and implement indeed.
5. Focus on market information gathering, including industry trends, financial information for decision making.
6. Make ongoing improvements for automation and production equipment, optimize the production efficiency, and enhance profitability.
7. Strengthen product innovation and R&D plans; collaborate with research institutions moderately to secure the sources of new and high-tech technologies in the medium and long term of the Company.
8. Carry out the optimization of various transformation, strengthen the intergration and management of information systems, simplify the operation



process, install auxiliary tools to improve efficiency and enhance the output per capita.

9. Strengthen the supply chain and production of the factory in Vietnam for laying the growth foundation of new fields such as 5G and vehicles.
10. Revolution of production quality in factories in China to promote the market share in high efficient cooling products.
11. Enlarging the production capacity in Taiwan to meet the demands of more advanced cooling needs.

(II) Expected Sales Volume and Basis

The Company's main products include heat pipes, vapor chambers, thermal modules, and heat sinks. These products are mainly used in PCs, servers, network communications, and smart phones. In addition to stabilizing the existing market share of cooling components used in PCs, Servers and Network communications, the company will actively explore potential customers of existing product lines and business development in new product applications in 2021.

(III) Important Production and Sales Policies

1. Production Policies: The industrial characteristics of heat cooling products are few standardization, frequent design changes and urgent orders. Therefore, the Company enforces the strict inventory management, reducing inventory and increasing inventory turnover. In addition, the Company also invests extensively in automatic production equipment as a mean to reduce labor requirements, and actively explores ways to improve production quality, simplify production process, design common materials for cost reduction in order to offer more competitive price of products.
2. Sales Policies: In addition to expanding market shares in local and foreign markets, the Company will also gradually increase investment in vapor chamber production capacity depending on the market supply and demand situation. In addition, the Company will strengthenly develop overseas distribution channels, establish agency sales channels to further expand the international market exposure.

**III. Future Development Strategies**

- (I) Set short/medium/long term goals and visions.
- (II) Take actions toward accomplishing the prescribed goals and visions, and track performance on a regular basis for strategies flexible adjustments.
- (III) Close cooperation with Nidec to broaden the scope of product services and industry field developing, which will help obtain comparative advantages of each product lines among the industry peers.
- (IV) Enhance the quality and energy of R&D, and share the achievements and revenue growth performance with customers.
- (V) Speed up production capacity expansion to satisfy future market demand.
- (VI) Actively upgrade the automated production process to improve efficiency and get effective cost control.
- (VII) Make continuous improvements on product quality and achieve the goal of zero defects.

(VIII)Continue to strengthen the industry’s environmental protection policies, energy conservation, carbon emission, create a friendly environment as well as employment terms for the compliance with RBA (EICC) and the fulfillment of social responsibilities, to realize our vision of a low-carbon/carbon-free industry.

We give you

Our best regards for the future ahead

Chairman: Junichi Nagai

CEO: Junichi Nagai

Head of Accounting: Mei-Hua Chen

**[Annex II]**

**Nidec Chaun-Choung Technology Corporation**

**Supervisor's Review Report**

The Board of Directors has prepared the Business Report, Consolidated Financial Statements, Standalone Financial Statements and the Earnings Distribution in 2021. I have reviewed these reports and statements, which were appropriately done. I hereby issue this Review Report pursuant to Article 219 of the Company Act.

To

2022 Annual Shareholders Meeting of Nidec Chaun-Choung Technology Corporation

Supervisor: Isao Takahashi  
Yu-Chun Yen

March 24, 2022

**[Annex III-1]**

**Nidec Chaun-Choung Technology Corporation  
Comparison Table of Ethical Corporate Management Best  
Practice Principles Before and After Amendment**

<b>Sequence Number</b>	<b>Provision after amendment</b>	<b>Provision currently in effect</b>	<b>Reason for amendment</b>
Article 2	(Dishonest behavior prohibited) The directors, managers, employees, appointees or persons with substantial control ability (hereinafter referred to as “substantive controllers”) of the company shall not directly or indirectly offer, promise, request or accept any improper Interests, or other dishonest behaviors that violate good faith, illegality, or breach of fiduciary obligations, in order to obtain or maintain benefits (hereinafter referred to as dishonest behavior).	(Dishonest behavior prohibited) The directors, <u>supervisor</u> , managers, employees, appointees or persons with substantial control ability (hereinafter referred to as “substantive controllers”) of the company shall not directly or indirectly offer, promise, request or accept any improper Interests, or other dishonest behaviors that violate good faith, illegality, or breach of fiduciary obligations, in order to obtain or maintain benefits (hereinafter referred to as dishonest behavior).	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 10	(Prohibition of bribes and bribes) The company and its directors, managers, employees, employees and substantial controllers shall not directly or indirectly provide, when conducting business, to customers, agents, contractors, suppliers, public officials or other interested parties. Promising, demanding or accepting any form of improper advantage.	(Prohibition of bribes and bribes) The company and its directors, <u>supervisors</u> , managers, employees, employees and substantial controllers shall not directly or indirectly provide, when conducting business, to customers, agents, contractors, suppliers, public officials or other interested parties. Promising, demanding or accepting any form of improper advantage.	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 12	(Prohibition of illegal political contributions) The company and its directors, managers, employees, appointees and substantial controllers, directly or indirectly make donations to political parties or organizations or individuals participating in political activities, which shall comply with the Political Contribution Law and relevant internal operating procedures of the company, and shall not In order to seek commercial interests or trading	(Prohibition of illegal political contributions) The company and its directors, <u>supervisors</u> , managers, employees, appointees and substantial controllers, directly or indirectly make donations to political parties or organizations or individuals participating in political activities, which shall comply with the Political Contribution Law and relevant internal operating procedures of the company, and shall not In order to seek	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority

Sequence Number	Provision after amendment	Provision currently in effect	Reason for amendment
	advantages.	commercial interests or trading advantages.	
Article 13	(Inappropriate charitable donations or sponsorships prohibited) The company and its directors, managers, employees, appointees and substantial controllers shall comply with relevant laws and internal operating procedures for charitable donations or sponsorships, and shall not offer bribes in disguised form.	(Inappropriate charitable donations or sponsorships prohibited) The company and its directors, <u>supervisors</u> , managers, employees, appointees and substantial controllers shall comply with relevant laws and internal operating procedures for charitable donations or sponsorships, and shall not offer bribes in disguised form.	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 14	(Unreasonable gifts, entertainment or other improper benefits are prohibited) The company and its directors, managers, employees, employees and substantial controllers shall not directly or indirectly offer or accept any unreasonable gifts, entertainment or other improper benefits in order to establish business relationships or influence business transactions.	(Unreasonable gifts, entertainment or other improper benefits are prohibited) The company and its directors, <u>supervisors</u> , managers, employees, employees and substantial controllers shall not directly or indirectly offer or accept any unreasonable gifts, entertainment or other improper benefits in order to establish business relationships or influence business transactions.	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 16	(Prohibit infringement of intellectual property rights) The company and its directors, managers, employees, appointees and actual controllers shall abide by relevant laws and regulations on intellectual property, the company's internal operating procedures and contractual provisions; Damage or other acts infringing intellectual property rights.	(Prohibit infringement of intellectual property rights) The company and its directors, <u>supervisors</u> , managers, employees, appointees and actual controllers shall abide by relevant laws and regulations on intellectual property, the company's internal operating procedures and contractual provisions; Damage or other acts infringing intellectual property rights.	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 17	(Prevent product or service damage to stakeholders) The Company and its directors, managers, employees, appointees and substantial controllers, in the process of research and development, procurement, manufacture, supply or	(Prevent product or service damage to stakeholders) The Company and its directors, <u>supervisors</u> , managers, employees, appointees and substantial controllers, in the process of research and development, procurement,	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority

Sequence Number	Provision after amendment	Provision currently in effect	Reason for amendment
	sales of products and services, (below omitted).	manufacture, supply or sales of products and services, (below omitted).	
Article 18	(Organization and Responsibilities) The directors, managers, employees, appointees and substantive controllers of the company should perform the duty of care of good managers, urge the company to prevent dishonest behavior, and review its implementation effectiveness and continuous improvement at any time to ensure the implementation of the integrity management policy	(Organization and Responsibilities) The directors, <u>supervisors</u> , managers, employees, appointees and substantive controllers of the company should perform the duty of care of good managers, urge the company to prevent dishonest behavior, and review its implementation effectiveness and continuous improvement at any time to ensure the implementation of the integrity management policy	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 19	(According to the laws and regulations of business execution) The directors, managers, employees, employees and substantial controllers of the company shall abide by laws and regulations and preventive measures when conducting business.	(According to the laws and regulations of business execution) The directors, <u>supervisors</u> , managers, employees, employees and substantial controllers of the company shall abide by laws and regulations and preventive measures when conducting business.	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 21	(Benefit avoidance) The company shall formulate policies to prevent conflicts of interest, so as to identify, monitor and manage the risks of dishonest conduct that may result from conflicts of interest, and provide appropriate channels for directors, managers and other stakeholders who attend or attend the board of directors to voluntarily explain their Whether there is a potential conflict of interest with the company. Directors, managers and other interested parties present at the board of directors or non-voting delegates of the company, who have an interest in the resolutions listed in the board of directors, themselves or the legal person they represent, shall explain the important content of their interest at the current board of directors, such as	(Benefit avoidance) The company shall formulate policies to prevent conflicts of interest, so as to identify, monitor and manage the risks of dishonest conduct that may result from conflicts of interest, and provide appropriate channels for directors, <u>supervisors</u> , managers and other stakeholders who attend or attend the board of directors to voluntarily explain their Whether there is a potential conflict of interest with the company. Directors, <u>supervisors</u> , managers and other interested parties present at the board of directors or non-voting delegates of the company, who have an interest in the resolutions listed in the board of directors, themselves or the legal person they represent, shall explain the important content of their interest at the current board of	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority

Sequence Number	Provision after amendment	Provision currently in effect	Reason for amendment
	<p>harmful When the interests of the company are in danger, they are not allowed to participate in the discussion and voting, and they should abstain from the discussion and voting, and they are not allowed to exercise their voting rights on behalf of other directors. Directors should also be self-disciplined and must support each other.</p> <p>The directors, managers, employees, appointees and substantial controllers of the company shall not use their positions or influence in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	<p>directors, such as harmful When the interests of the company are in danger, they are not allowed to participate in the discussion and voting, and they should abstain from the discussion and voting, and they are not allowed to exercise their voting rights on behalf of other directors. Directors should also be self-disciplined and must support each other.</p> <p>The directors, <u>supervisors</u>, managers, employees, appointees and substantial controllers of the company shall not use their positions or influence in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person.</p>	
Article 22	<p>(Operating Procedures and Behavior Guidelines)</p> <p>The company has formulated the operating procedures and behavior guidelines for the prevention of dishonest behaviors, and specifically regulates the matters that directors, managers, employees and substantial controllers should pay attention to when conducting business. The content covers the following matters: (below omitted).</p>	<p>(Operating Procedures and Behavior Guidelines)</p> <p>The company has formulated the operating procedures and behavior guidelines for the prevention of dishonest behaviors, and specifically regulates the matters that directors, <u>supervisors</u>, managers, employees and substantial controllers should pay attention to when conducting business. The content covers the following matters: (below omitted).</p>	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 23	<p>(Education training and assessment)</p> <p>The chairman, general manager or senior management of the company shall regularly communicate the importance of integrity to directors, employees and appointees.</p> <p>The company regularly conducts education, training and publicity for directors, managers, employees, appointees and substantive controllers, and each business undertaking unit should publicize the counterparties</p>	<p>(Education training and assessment)</p> <p>The chairman, general manager or senior management of the company shall regularly communicate the importance of integrity to directors, employees and appointees.</p> <p>The company regularly conducts education, training and publicity for directors, <u>supervisors</u>, managers, employees, appointees and substantive controllers, and each business undertaking unit should publicize the</p>	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority

Sequence Number	Provision after amendment	Provision currently in effect	Reason for amendment
	<p>engaged in business activities with the company, so that they can fully understand the integrity of the company's operation. determination, policies, prevention plans, and consequences of dishonest conduct. The company combines the integrity management policy with the employee performance appraisal and human resources policy, and establishes a clear and effective reward and punishment system.</p>	<p>counterparties engaged in business activities with the company, so that they can fully understand the integrity of the company's operation. determination, policies, prevention plans, and consequences of dishonest conduct. The company combines the integrity management policy with the employee performance appraisal and human resources policy, and establishes a clear and effective reward and punishment system.</p>	
Article 23	<p>(Reporting system) The company shall formulate a specific whistleblower system and implement it, and its content shall at least cover the following matters: 1. Establish and announce internal independent reporting mailboxes and special lines or entrust other external independent agencies to provide reporting mailboxes and special lines for use by internal and external personnel of the company. 2. Designate a person or unit in charge of handling reports, report the reports involving directors or management to independent directors, and define the types of reports and the standard operating procedures for investigations to which they belong. ..... The company shall make a report immediately and notify the independent directors in writing if it finds a major violation of regulations or the company is likely to suffer major damage after investigation.</p>	<p>(Reporting system) The company shall formulate a specific whistleblower system and implement it, and its content shall at least cover the following matters: 1. Establish and announce internal independent reporting mailboxes and special lines or entrust other external independent agencies to provide reporting mailboxes and special lines for use by internal and external personnel of the company. 2. Designate a person or unit in charge of handling reports, report the reports involving directors or management to independent directors <u>and supervisors</u>, and define the types of reports and the standard operating procedures for investigations to which they belong. ..... The company shall make a report immediately and notify the independent directors <u>and supervisors</u>, in writing if it finds a major violation of regulations or the company is likely to suffer major damage after investigation.</p>	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 26	(Review and revision of integrity management policies and measures)	(Review and revision of integrity management policies and measures)	Remove Supervisor due to establishment of



Sequence Number	Provision after amendment	Provision currently in effect	Reason for amendment
	<p>The company always pays attention to the development of relevant norms of integrity management at home and abroad, and encourages directors, managers and employees to put forward suggestions, so as to review and improve the integrity management policy and promotion measures formulated by the company, so as to improve the implementation effect of the company's integrity management.</p>	<p>The company always pays attention to the development of relevant norms of integrity management at home and abroad, and encourages directors, <u>supervisors</u>, managers and employees to put forward suggestions, so as to review and improve the integrity management policy and promotion measures formulated by the company, so as to improve the implementation effect of the company's integrity management.</p>	<p>Auditor Committee to replace supervisor as per regulation of authority</p>
<p>Article 27</p>	<p>(Implementation) The company's integrity management code will be implemented after being approved by the board of directors and submitted to the shareholders' meeting. If there is any amendment in the future, the board of directors may be authorized to make a resolution, and the same is true for amendments. When submitting the integrity management code to the board of directors for discussion in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered, and their objections or reservations shall be recorded in the minutes of the board of directors; if the independent directors cannot attend the board of directors in person to express their objections or reservations Unless there are justifiable reasons, written opinions shall be issued in advance, which shall be recorded in the minutes of the board meeting.</p>	<p>(Implementation) The company's integrity management code will be implemented after being approved by the board of directors and submitted to <u>supervisors and the</u> shareholders' meeting. If there is any amendment in the future, the board of directors may be authorized to make a resolution, and the same is true for amendments. When submitting the integrity management code to the board of directors for discussion in accordance with the preceding paragraph, the opinions of each independent director shall be fully considered, and their objections or reservations shall be recorded in the minutes of the board of directors; if the independent directors cannot attend the board of directors in person to express their objections or reservations Unless there are justifiable reasons, written opinions shall be issued in advance, which shall be recorded in the minutes of the board meeting. <u>If an audit committee is established, the provisions of this code for supervisors shall apply mutatis mutandis to the audit committee.</u></p>	<p>Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority</p>



**[Annex III-2]**

**Nidec Chaun-Choung Technology Corporation  
Comparison Table of Procedures for Ethical Management and  
Guidelines for Conduct Before and After Amendment**

<b>Sequence</b>	<b>Provision after amendment</b>	<b>Current provision in effect</b>	<b>Reason for amendment</b>
Article 2	The company personnel referred to in this operating procedure and behavior guide refer to the directors, managers, employees, appointees and persons with substantial control ability of the company and group companies and organizations. The company's personnel provide, promise, request or accept any illegitimate benefits through a third party, which is presumed to be the company's personnel.	The company personnel referred to in this operating procedure and behavior guide refer to the directors, <u>supervisors</u> , managers, employees, appointees and persons with substantial control ability of the company and group companies and organizations. The company's personnel provide, promise, request or accept any illegitimate benefits through a third party, which is presumed to be the company's personnel.	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 3	The dishonest behavior mentioned in this operating procedure and behavior guide means that the company's personnel directly or indirectly offer, accept, promise or demand any illegitimate benefits in order to obtain or maintain benefits, or engage in other acts that violate good faith or illegal activities in the execution of business processes. or breach of fiduciary duty. The objects of the acts in the preceding paragraph include public officials, candidates for political participation, political parties or party officials, as well as any public or private enterprises or institutions and their directors, managers, employees, persons with substantial control ability, or other interested parties.	The dishonest behavior mentioned in this operating procedure and behavior guide means that the company's personnel directly or indirectly offer, accept, promise or demand any illegitimate benefits in order to obtain or maintain benefits, or engage in other acts that violate good faith or illegal activities in the execution of business processes. or breach of fiduciary duty. The objects of the acts in the preceding paragraph include public officials, candidates for political participation, political parties or party officials, as well as any public or private enterprises or institutions and their directors, <u>supervisors</u> , managers, employees, persons with substantial control ability, or other interested parties.	Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority
Article 11	Directors, managers and other interested parties present at the board of directors of the company who have	Directors, <u>supervisors</u> , managers and other interested parties present at the board of directors of the company	Remove Supervisor due to establishment of Auditor Committee to

Sequence	Provision after amendment	Current provision in effect	Reason for amendment
	<p>an interest in the matters of the board of directors or the legal person they represent shall explain the important content of their interest at the current board of directors, (Below omitted)</p>	<p>who have an interest in the matters of the board of directors or the legal person they represent shall explain the important content of their interest at the current board of directors, (Below omitted)</p>	<p>replace supervisor as per regulation of authority</p>
<p>Article 21</p>	<p>The Company encourages internal and external personnel to report dishonest conduct or misconduct,  .....  1. If the report involves ordinary employees, it should be reported to the department head, and if the report involves a director or senior executive, it should be reported to an independent director. (Below omitted)</p>	<p>The Company encourages internal and external personnel to report dishonest conduct or misconduct,  .....  1. If the report involves ordinary employees, it should be reported to the department head, and if the report involves a director or senior executive, it should be reported to an independent director or <u>supervisor</u>. (Below omitted)</p>	<p>Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority</p>
<p>Article 24</p>	<p>These operating procedures and conduct guidelines shall be implemented after being approved by the board of directors, and shall be submitted to the shareholders' meeting; the same shall apply to amendments.  When these operating procedures and behavior guidelines are submitted to the board of directors for discussion, the opinions of independent directors shall be fully considered, and their objections or reservations shall be recorded in the minutes of the board of directors; if independent directors cannot attend the board of directors in person to express their objections or reservations, unless there are justifiable reasons, a written opinion shall be issued in advance, which shall be recorded in the minutes of the board meeting.</p>	<p>These operating procedures and conduct guidelines shall be implemented after being approved by the board of directors, and shall be <u>sent to all supervisors</u> and submitted to the shareholders' meeting; the same shall apply to amendments.  When these operating procedures and behavior guidelines are submitted to the board of directors for discussion, the opinions of independent directors shall be fully considered, and their objections or reservations shall be recorded in the minutes of the board of directors; if independent directors cannot attend the board of directors in person to express their objections or reservations, unless there are justifiable reasons, a written opinion shall be issued in advance, which shall be recorded in the minutes of the board meeting.</p>	<p>Remove Supervisor due to establishment of Auditor Committee to replace supervisor as per regulation of authority</p>

## [Annex IV]

### **Nidec Chaun-Choung Technology Corporation Codes of Ethical Conduct**

#### Article 1 Purpose of and basis for adoption

To guild directors and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the Company) to act in line with codes of ethical conduct, and to help interested parties better understand the ethical standards of the Company, these codes of ethical conduct are developed for them to comply with according to “Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies” and relevant requirements.

#### Article 2 Content of the code

Taking its individual circumstances and needs into consideration, code of ethical conduct of the Company addressed following eight matters:

##### 1. Prevention of conflicts of interest:

Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a director, or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.

##### 2. Minimizing incentives to pursue personal gain:

The Company shall prevent its directors, or managerial officers from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of the directors, and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Company.

##### 3. Confidentiality:

The directors and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

##### 4. Fair trade:

Directors and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

5. Safeguarding and proper use of Company assets:

All directors, and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.

6. Legal compliance:

The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

7. Encouraging reporting on illegal or unethical activities:

The Company shall raise awareness of ethics internally and encourage employees to report to managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistleblowing system and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.

8. Disciplinary measures:

When a director, or managerial officer violates the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establish a relevant complaint system to provide the violator with remedies.

Article 3 Procedures for exemption

The code of ethical conduct adopted by the Company must require that any exemption for directors, or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 4 Method of disclosure

the Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on the Company official website, in its annual reports and prospectuses and on the MOPS.

Article 5 Enforcement

Development of the codes of ethical conduct of the Company, and any amendments to it, shall enter into force after it has been adopted by the board of directors, delivered to, and submitted to a shareholders meeting.



[Annex V]

**Nidec Chaun-Choung Technology Corporation**  
**Comparison Table of Amendments to the Rules of Procedure of the**  
**Board of Directors**

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
Article 3	<p>(Notice of convening and meeting of the board of directors)</p> <p>The Board of Directors of the Company is held quarterly.</p> <p>The convening of the board of directors shall be notified to all directors and supervisors seven days before the meeting, and the time, place and reason for the convening of the meeting shall be stated; however, in the event of an emergency, it may be convened at any time.</p> <p>The notice of convocation referred to in the preceding paragraph may be done electronically with the consent of the counterparty.</p> <p>Except for emergencies or justifiable reasons, the matters mentioned in Paragraph 1, Article 12 of these rules shall be listed in the reasons for convening, and shall not be proposed as temporary motions.</p>	<p>(Notice of convening and meeting of the board of directors)</p> <p>The Board of Directors of the Company is held quarterly.</p> <p>The convening of the board of directors shall be notified to all directors <u>and supervisors</u> seven days before the meeting, and the time, place and reason for the convening of the meeting shall be stated; however, in the event of an emergency, it may be convened at any time.</p> <p>The notice of convocation referred to in the preceding paragraph may be done electronically with the consent of the counterparty.</p> <p>Except for emergencies or justifiable reasons, the matters mentioned in Paragraph 1, Article 12 of these rules shall be listed in the reasons for convening, and shall not be proposed as temporary motions.</p>	Amended to consistent with the establishment of Audit Committee replacing to original supervisors.
Article 8	<p>(Reference materials of the board of directors, non-voting attendees and the meeting of the board of directors)</p> <p>When the board of directors of the company is convened, the management department (or the discussion unit designated by the board of directors) shall prepare relevant information for the directors attending the meeting to check at any time.</p> <p>When the board of directors is convened, personnel from relevant departments or subsidiaries may be notified to attend as non-voting delegates, depending on the content of the proposal. Reports and answers to inquiries from directors so that the board of directors can make appropriate resolutions. When necessary, accountants, lawyers or other professionals may also be invited to attend the meeting and</p>	<p>(Reference materials of the board of directors, non-voting attendees and the meeting of the board of directors)</p> <p>When the board of directors of the company is convened, the management department (or the discussion unit designated by the board of directors) shall prepare relevant information for the directors attending the meeting to check at any time.</p> <p>When the board of directors is convened, personnel from relevant departments or subsidiaries may be notified to attend as non-voting delegates, depending on the content of the proposal. Reports and answers to inquiries from directors so that the board of directors can make appropriate resolutions. When necessary, accountants, lawyers or other professionals may also be invited to attend the meeting and explain. However, they should leave</p>	Amended to consistent with the establishment of Audit Committee replacing to original supervisors.



Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
	<p>explain. However, they should leave the table for discussion and voting. Supervisors may attend the board of directors to state their opinions, but may not participate in voting. The chairman of the board of directors shall call the meeting open when more than half of the directors are present. (Below omitted)</p>	<p>the table for discussion and voting. <u>Supervisors may attend the board of directors to state their opinions, but may not participate in voting.</u> The chairman of the board of directors shall call the meeting open when more than half of the directors are present. (Below omitted)</p>	
Article 16	<p>(Minutes of the meeting and signing matters)  The board of directors of the company shall be made into minutes, and the minutes shall record the following matters in detail:  1. The session (or year), time and place of the meeting  .....  7. Matters to be discussed: resolution methods and results of each proposal, directors, experts  .....  8. Temporary motion: name of the proposer, resolution method and result of the motion, summary of speeches made by directors, experts and other personnel, names of directors with interests in accordance with Paragraph 1 of the preceding article, explanations of important content of interests, other Reasons for recusal or non-rejection, circumstance of recusal and objection or reservation, and there is a record or written statement.  9. Other matters to be recorded. Items resolved by the board of directors  .....  The sign-in book of the board of directors is part of the minutes and should be properly kept during the existence of the company.  The minutes must be signed or sealed by the chairman of the meeting and the recorder, and distributed to all directors within 20 days after the meeting. It should be included in the company's important files, and kept permanently and properly during the company's</p>	<p>(Minutes of the meeting and signing matters)  The board of directors of the company shall be made into minutes, and the minutes shall record the following matters in detail:  1. The session (or year), time and place of the meeting  .....  7. Matters to be discussed: resolution methods and results of each proposal, directors, <u>supervisors</u>, experts  .....  8. Temporary motion: name of the proposer, resolution method and result of the motion, summary of speeches made by directors, <u>supervisors</u>, experts and other personnel, names of directors with interests in accordance with Paragraph 1 of the preceding article, explanations of important content of interests, other Reasons for recusal or non-rejection, circumstance of recusal and objection or reservation, and there is a record or written statement.  9. Other matters to be recorded. Items resolved by the board of directors  .....  The sign-in book of the board of directors is part of the minutes and should be properly kept during the existence of the company.  The minutes must be signed or sealed by the chairman of the meeting and the recorder, and distributed to all directors <u>and supervisors</u> within 20 days after the meeting. It should be included in the company's important files, and kept permanently and properly during the</p>	<p>Amended to consistent with the establishment of Audit Committee replacing to original supervisors.</p>

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
	<p>existence. The production and distribution of the minutes of the minutes referred to in Paragraph 1 may be done electronically.</p>	<p>company's existence. The production and distribution of the minutes of the minutes referred to in Paragraph 1 may be done electronically.</p>	
Article 17	<p>(Authorization Principles of the Board of Directors) Except for the matters that should be discussed in the first paragraph of Article 12, during the adjournment of the board of directors, the board of directors of the company may authorize the chairman of the board to exercise the functions and powers of the board of directors according to the law or the articles of association of the company. The authorization content is as follows: 1. Matters authorizing the chairman of the board in accordance with the Company's "Approval Authority List" and various management regulations. 2. Approval of important contracts. 3. Approval of real estate mortgage loans and other loans. 4. Approval of the acquisition and disposal of the company's general property and immovable property. 5. Designation of directors of the reinvestment company. 6. Determination of the base date for capital increase or decrease and the base date for allotment of cash dividends.</p>	<p>(Authorization Principles of the Board of Directors) Except for the matters that should be discussed in the first paragraph of Article 12, during the adjournment of the board of directors, the board of directors of the company may authorize the chairman of the board to exercise the functions and powers of the board of directors according to the law or the articles of association of the company. The authorization content is as follows: 1. Matters authorizing the chairman of the board in accordance with the Company's "Approval Authority List" and various management regulations. 2. Approval of important contracts. 3. Approval of real estate mortgage loans and other loans. 4. Approval of the acquisition and disposal of the company's general property and immovable property. 5. Designation of directors <u>and supervisors</u> of the reinvestment company. 6. Determination of the base date for capital increase or decrease and the base date for allotment of cash dividends.</p>	<p>Amended to consistent with the establishment of Audit Committee replacing to original supervisors.</p>

# [Annex VI] 2021 Independent Auditors' Report and Consolidated Financial Statements



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## Independent Auditors' Report

To the Board of Directors of NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION:

### Opinion

We have audited the consolidated financial statements of NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

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



## 1. Revenue recognition

Please refer to note 4(o) “Revenue recognition” for accounting policy related to revenue recognition, and note 6(n) “Revenue from contracts with customers” for disclosure information about revenue recognition of the consolidated financial statements.

### **Description of key audit matter:**

The main revenue of the Group comes from the researching, development, production, and sale of thermal components in the computer and related industries. Since products are highly customized, the revenue recognition is concerned by the users or receiver of the financial statements, the test for revenue recognition is a highly concerned matter when we comply the audit procedure for the financial statements of the Group.

### **How the matter was addressed in our audit:**

Our principal audit procedures included obtaining the list of top-ten customers and newly-added customers for the current year to analyze whether there is an unusual situation or not, inspecting of significant new contracts and understanding terms and conditions to assess whether there are any significant abnormalities, assessing the appropriateness of accounting policies for revenue recognition (including sales returns and discounts), testing the effectiveness of the design and the implementation of internal controls of sales and performing the sales cut-off test on the period before and after the balance sheet date, to ensure sales are recognized in the appropriate accounting period.

### **Other Matter**

NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION has prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the independent directors or supervisors) are responsible for overseeing the Group’s financial reporting process.



### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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





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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hsin-Yi Kuo and Hui-Chih Ko.

KPMG

Taipei, Taiwan (Republic of China)  
March 24, 2022

#### Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION (ORIGINAL NAME : CHAUN-CHOUNG TECHNOLOGY CORPORATION) AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020			December 31, 2021		December 31, 2020			
	Amount	%	Amount	%		Amount	%	Amount	%		
<b>Assets</b>					<b>Liabilities and equity</b>						
<b>Current assets:</b>					<b>Current liabilities:</b>						
1100	Cash and cash equivalents (notes 6(a)(q))	\$ 1,737,564	17	1,774,664	20	2100	Short-term borrowings from related parties (notes 6(h)(q) and 7)	\$ 199,296	2	313,280	4
1150	Notes receivable, net (notes 6(c)(n)(q) and 7)	2,260	-	6,326	-	2170	Accounts payable (note 6(q))	3,302,811	31	2,404,236	28
1170	Accounts receivable, net (notes 6(c)(n)(q))	3,166,158	30	2,463,865	28	2181	Accounts payable to related parties (notes 6(q) and 7)	89,168	1	130,217	1
1180	Accounts receivable due from related parties, net (notes 6(c)(n)(q) and 7)	743,683	7	763,461	9	2200	Other payables (notes 6(q))	695,569	7	654,752	7
1200	Other receivables, net (note 6(q))	932	-	61,692	1	2220	Other payables to related parties (notes 6(q) and 7)	6,990	-	8,698	-
1210	Other receivables due from related parties, net (notes 6(q) and 7)	389	-	135	-	2250	Current provisions	1,852	-	1,861	-
130X	Inventories (note 6(d))	1,826,090	17	1,204,367	14	2280	Current lease liabilities (note 6(q))	33,575	-	17,591	-
1410	Prepayments	82,668	1	84,926	1	2300	Other current liabilities	98,416	1	92,991	1
1470	Other current assets (note 6(q))	90,868	1	49,383	1		<b>Total current liabilities</b>	<b>4,427,677</b>	<b>42</b>	<b>3,623,626</b>	<b>41</b>
	<b>Total current assets</b>	<b>7,650,612</b>	<b>73</b>	<b>6,408,819</b>	<b>74</b>		<b>Non-current liabilities:</b>				
<b>Non-current assets:</b>					2540	Long-term borrowings from related parties (note 6(i)(q) and 7)	664,320	6	-	-	
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(b)(q))	94,468	1	27,983	-	2570	Deferred income tax liabilities (notes 6(k))	660,870	6	621,120	7
1600	Property, plant and equipment (notes 6(e))	2,334,950	22	1,900,669	22	2580	Non-current lease liabilities (note 6(q))	59,581	1	49,625	1
1755	Right-of-use assets (note 6(f))	264,615	3	245,673	3	2640	Net defined benefit liability, non-current	6,059	-	3,452	-
1780	Intangible assets	29,755	-	29,144	-	2645	Guarantee deposits received	1,253	-	920	-
1840	Deferred income tax assets (note 6(k))	101,990	1	55,714	1	2600	Total other non-current liabilities	33,928	1	-	-
1900	Other non-current assets	45,458	-	43,486	-		<b>Total non-current liabilities</b>	<b>1,426,011</b>	<b>14</b>	<b>675,117</b>	<b>8</b>
	<b>Total non-current assets</b>	<b>2,871,236</b>	<b>27</b>	<b>2,302,669</b>	<b>26</b>		<b>Total liabilities</b>	<b>5,853,688</b>	<b>56</b>	<b>4,298,743</b>	<b>49</b>
							<b>Equity attributable to owners of parent (note 6(l)):</b>				
						3100	Ordinary shares	863,434	8	863,434	10
						3200	Capital surplus	531,823	5	531,823	6
							<b>Retained earnings:</b>				
						3310	Legal reserve	824,071	8	746,181	9
						3320	Special reserve	227,091	2	222,369	2
						3350	Unappropriated retained earnings	2,422,489	23	2,276,029	26
							Total retained earnings	3,473,651	33	3,244,579	37
						3400	Other equity	(200,748)	(2)	(227,091)	(2)
							Total equity	4,668,160	44	4,412,745	51
							<b>Total liabilities and equity</b>	<b>\$ 10,521,848</b>	<b>100</b>	<b>8,711,488</b>	<b>100</b>
	<b>Total assets</b>	<b>\$ 10,521,848</b>	<b>100</b>	<b>8,711,488</b>	<b>100</b>						

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION  
(ORIGINAL NAME : CHAUN-CHOUNG TECHNOLOGY CORPORATION) AND SUBSIDIARIES

**Consolidated Statements of Comprehensive Income**

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
4000	<b>Operating revenues (notes 6(n) and 7)</b>			
	11,011,928	100	9,123,421	100
5000	<b>Operating costs (notes 6(d)(e)(f)(j)(o) and 7)</b>			
	<u>9,281,971</u>	<u>84</u>	<u>7,140,739</u>	<u>78</u>
	<b>Gross profit from operations</b>			
	<u>1,729,957</u>	<u>16</u>	<u>1,982,682</u>	<u>22</u>
	<b>Operating expenses (notes 6(e)(f)(j)(o) and 7):</b>			
6100	Selling expenses			
	304,823	3	233,828	2
6200	Administrative expenses			
	455,215	4	338,064	4
6300	Research and development expenses			
	506,726	5	327,933	4
6450	Impairment loss determined in accordance with IFRS 9 (note 6(c))			
	709	-	181	-
	<b>Total operating expenses</b>			
	<u>1,267,473</u>	<u>12</u>	<u>900,006</u>	<u>10</u>
	<b>Net operating income</b>			
	<u>462,484</u>	<u>4</u>	<u>1,082,676</u>	<u>12</u>
	<b>Non-operating income and expenses:</b>			
7100	Interest income (note 6(p))			
	17,017	-	6,903	-
7010	Other income (notes 6(p) and 7)			
	73,810	1	60,074	1
7020	Other gains and losses, net (note 6(g)(p))			
	(34,574)	-	(71,648)	(1)
7050	Finance costs (notes 6(p) and 7)			
	(6,229)	-	(1,042)	-
	<b>Total non-operating income and expenses</b>			
	<u>50,024</u>	<u>1</u>	<u>(5,713)</u>	<u>-</u>
7900	<b>Income before income tax</b>			
	512,508	5	1,076,963	12
7951	<b>Less: Income tax expenses (note 6(k))</b>			
	<u>162,844</u>	<u>2</u>	<u>294,565</u>	<u>3</u>
	<b>Profit</b>			
	<u>349,664</u>	<u>3</u>	<u>782,398</u>	<u>9</u>
8300	<b>Other comprehensive income:</b>			
8310	<b>Items that may not be reclassified subsequently to profit or loss:</b>			
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income			
	66,485	1	(44,726)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss			
	-	-	-	-
	<b>Total items that may not be reclassified subsequently to profit or loss</b>			
	<u>66,485</u>	<u>1</u>	<u>(44,726)</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>			
8361	Exchange differences on translation			
	(50,179)	(1)	50,005	-
8391	Other components of other comprehensive income that will be reclassified to profit or loss			
	(3,956)	-	(4,371)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss			
	(10,827)	-	9,127	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>			
	<u>(43,308)</u>	<u>(1)</u>	<u>36,507</u>	<u>-</u>
8300	<b>Other comprehensive income (loss)</b>			
	<u>23,177</u>	<u>-</u>	<u>(8,219)</u>	<u>-</u>
	<b>Total comprehensive income</b>			
	<u>\$ 372,841</u>	<u>3</u>	<u>774,179</u>	<u>9</u>
	<b>Basic earnings per share (note 6(m))</b>			
	<b>Basic earnings per share (NT Dollars)</b>			
	<u>\$ 4.05</u>		<u>9.06</u>	

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION (ORIGINAL NAME : CHAUN-CHOUNG TECHNOLOGY CORPORATION) AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings					Other equity				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance on January 1, 2020	\$ 863,434	531,823	676,028	185,482	2,024,660	2,886,170	(275,080)	52,711	(222,369)	4,059,058
Profit for the year ended December 31, 2020	-	-	-	-	782,398	782,398	-	-	-	782,398
Other comprehensive loss for the year ended December 31, 2020	-	-	-	-	(3,497)	(3,497)	40,004	(44,726)	(4,722)	(8,219)
Comprehensive income for the year ended December 31, 2020	-	-	-	-	778,901	778,901	40,004	(44,726)	(4,722)	774,179
Legal reserve	-	-	70,153	-	(70,153)	-	-	-	-	-
Special reserve	-	-	-	36,887	(36,887)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(420,492)	(420,492)	-	-	-	(420,492)
Balance on December 31, 2020	863,434	531,823	746,181	222,369	2,276,029	3,244,579	(235,076)	7,985	(227,091)	4,412,745
Profit for the year ended December 31, 2021	-	-	-	-	349,664	349,664	-	-	-	349,664
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(3,165)	(3,165)	(40,142)	66,485	26,343	23,178
Comprehensive income for the year ended December 31, 2021	-	-	-	-	346,499	346,499	(40,142)	66,485	26,343	372,842
Legal reserve	-	-	77,890	-	(77,890)	-	-	-	-	-
Special reserve	-	-	-	4,722	(4,722)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(117,427)	(117,427)	-	-	-	(117,427)
Balance on December 31, 2021	\$ 863,434	531,823	824,071	227,091	2,422,489	3,473,651	(275,218)	74,470	(200,748)	4,668,160

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION**  
**(ORIGINAL NAME : CHAUN-CHOUNG TECHNOLOGY CORPORATION) AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2021	2020
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 512,508	1,076,963
Adjustments:		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	339,502	255,372
Amortization expense	8,618	5,171
Expected credit loss	709	181
Interest expense	6,229	1,042
Interest revenue	(17,017)	(6,903)
Dividend income	(1,483)	(371)
Gain from disposal of property, plant and equipment	(350)	(1,587)
Property, plant and equipment transferred to expenses	5,814	799
Gain from disposal of investment properties	-	(90,619)
Unrealized foreign exchange loss	546	368
Gain from lease modifications	(170)	(151)
<b>Total adjustments to reconcile profit</b>	<b>342,398</b>	<b>163,302</b>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes receivable	4,066	(1,320)
(Increase) decrease in accounts receivable	(703,002)	206,720
Decrease (increase) in accounts receivable due from related parties	19,778	(606,645)
Decrease (increase) in other receivables	8,028	(6,752)
Increase in inventories	(621,664)	(206,418)
Increase in prepayments	(326)	(58,812)
(Increase) decrease in other current assets	(41,485)	14,049
<b>Total changes in operating assets</b>	<b>(1,334,605)</b>	<b>(659,178)</b>
<b>Changes in operating liabilities:</b>		
Increase in accounts payable	898,575	413,329
(Decrease) increase in accounts payable to related parties	(41,049)	130,217
Increase in other payables	17,266	80,671
Decrease in other payables to related parties	(1,708)	(30,400)
Decrease in provisions	(9)	(526)
Increase (decrease) in other current liabilities	5,425	(5,339)
Decrease in net defined benefit liability	(1,349)	(2,156)
<b>Total changes in operating liabilities</b>	<b>877,151</b>	<b>585,796</b>
<b>Total changes in operating assets and liabilities</b>	<b>(457,454)</b>	<b>(73,382)</b>
<b>Total adjustments</b>	<b>(115,056)</b>	<b>89,920</b>
Cash inflow generated from operations	397,452	1,166,883
Interest received	17,017	6,903
Interest paid	(6,229)	(1,042)
Income taxes paid	(78,963)	(214,258)
<b>Net cash flows from operating activities</b>	<b>329,277</b>	<b>958,486</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property, plant and equipment	(774,006)	(648,864)
Proceeds from disposal of property, plant and equipment	6,240	18,627
Increase in refundable deposits	(1,972)	(40,243)
Acquisition of intangible assets	(8,931)	(15,811)
Acquisition of right-of-use assets	-	(85,959)
Proceeds from disposal of investment properties	-	147,913
Dividends received	371	927
<b>Net cash flows used in investing activities</b>	<b>(778,298)</b>	<b>(623,410)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	201,456	313,280
Decrease in short-term borrowings	(323,730)	-
Proceeds from long-term borrowings	678,720	-
Increase (decrease) in guarantee deposits received	333	(899)
Payments of lease liabilities	(28,018)	(9,371)
Increase in other non-current liabilities	33,928	-
Cash dividends paid	(117,427)	(420,492)
<b>Net cash flows used in financing activities</b>	<b>445,262</b>	<b>(117,482)</b>
Effect of exchange rate changes on cash and cash equivalents	(33,341)	86,356
Net (decrease) increase in cash and cash equivalents	(37,100)	303,950
Cash and cash equivalents at beginning of period	1,774,664	1,470,714
Cash and cash equivalents at end of period	<b>\$ 1,737,564</b>	<b>1,774,664</b>

See accompanying notes to consolidated financial statements.

# [Annex VII] 2021 Independent Auditors' Report and Standalone Financial Statements



安侯建業聯合會計師事務所  
KPMG

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## Independent Auditors' Report

To the Board of Directors of NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION:

### Opinion

We have audited the financial statements of NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION (“the Company”), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

#### 1. Revenue recognition

Please refer to note 4(o) “Revenue recognition” for accounting policy related to revenue recognition, and note 6(o) “Revenue from contracts with customers” for disclosure information about revenue recognition of the financial statements.



**Description of key audit matter:**

The main revenue of the Company comes from the researching, development, production, and sale of thermal components in the computer and related industries. Since products are highly customized, the revenue recognition is concerned by the users or receiver of the financial statements, the test for revenue recognition is a highly concerned matter when we comply the audit procedure for the financial statements of the Company.

**How the matter was addressed in our audit:**

Our principal audit procedures included obtaining the list of top-ten customers and newly-added customers for the current year to analyze whether there is an unusual situation or not, inspecting of significant new contracts and understanding terms and conditions to assess whether there are any significant abnormalities, assessing the appropriateness of accounting policies for revenue recognition (including sales returns and discounts), testing the effectiveness of the design and the implementation of internal controls of sales and performing the sales cut-off test on the period before and after the balance sheet date, to ensure sales are recognized in the appropriate accounting period.

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

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

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

Those charged with governance (including the independent directors or supervisors) are responsible for overseeing the Company's financial reporting process.

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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



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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Hsin-Yi Kuo and Hui-Chih Ko.

KPMG

Taipei, Taiwan (Republic of China)  
March 24, 2022

#### Notes to Readers

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

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



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION**  
(Original name : CHAUN-CHOUNG TECHNOLOGY CORPORATION)

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

	December 31, 2021		December 31, 2020			December 31, 2021		December 31, 2020	
	Amount	%	Amount	%		Amount	%	Amount	%
<b>Assets</b>					<b>Liabilities and equity</b>				
<b>Current assets:</b>					<b>Current liabilities:</b>				
1100 Cash and cash equivalents (notes 6(a)(r))	\$ 484,971	5	546,497	7	2100 Short-term borrowings from related parties (notes 6(i)(r)(s) and 7)	\$ 199,296	2	313,280	4
1150 Notes receivable, net (notes 6(c)(o)(r))	1,483	-	-	-	2170 Accounts payable (note 6(r))	941,995	9	662,319	8
1170 Accounts receivable, net (notes 6(c)(o)(r))	1,889,709	18	1,416,011	17	2180 Accounts payable to related parties (notes 6(r) and 7)	2,902,892	28	2,073,048	25
1181 Accounts receivable due from related parties, net (notes 6(c)(o)(r) and 7)	681,312	7	656,807	8	2200 Other payables (note 6(r))	271,151	3	234,018	3
1200 Other receivables (notes 6(d)(r))	16,467	-	8,464	-	2220 Other payables to related parties (notes 6(r) and 7)	36,935	-	10,919	-
1210 Other receivables due from related parties (notes 6(d)(r) and 7)	447,023	4	431,366	5	2250 Current provisions	739	-	739	-
130X Inventories (note 6(e))	1,012,360	10	585,610	7	2280 Current lease liabilities (note 6(r))	32,676	-	17,348	-
1410 Prepayments	9,724	-	5,528	-	2300 Other current liabilities	43,173	-	34,614	-
1470 Other current assets	33,731	-	26,208	-	<b>Total current liabilities</b>	4,428,857	42	3,346,285	40
<b>Total current assets</b>	<b>4,576,780</b>	<b>44</b>	<b>3,676,491</b>	<b>44</b>	<b>Non-current liabilities:</b>				
<b>Non-current assets:</b>					2540 Long-term borrowings from related parties(note 6(j)(r)(s))	664,320	6	-	-
1517 Non-current financial assets at fair value through other comprehensive income (notes 6(b)(r))	94,468	1	27,983	-	2570 Deferred tax liabilities (note 6(l))	611,850	6	565,786	7
1550 Investments accounted for using equity method (note 6(f))	4,993,826	48	4,070,704	49	2580 Non-current lease liabilities (note 6(r))	58,487	1	48,688	-
1600 Property, plant and equipment (notes 6(g) and 8)	538,966	5	421,011	5	2640 Net defined benefit liability, non-current (note 6(k))	6,059	-	3,452	-
1755 Right-of-use assets	90,854	1	66,079	1	2645 Guarantee deposits received	57	-	-	-
1780 Intangible assets	22,928	-	21,128	-	<b>Total non-current liabilities</b>	1,340,773	13	617,926	7
1840 Deferred tax assets (note 6(l))	77,409	1	52,509	1	<b>Total liabilities</b>	5,769,630	55	3,964,211	47
1900 Other non-current assets	42,559	-	41,051	-	<b>Equity (note 6(m)):</b>				
<b>Total non-current assets</b>	<b>5,861,010</b>	<b>56</b>	<b>4,700,465</b>	<b>56</b>	3100 Ordinary shares	863,434	9	863,434	10
					3200 Capital surplus	531,823	5	531,823	6
					<b>Retained earnings:</b>				
					3310 Legal reserve	824,071	8	746,181	9
					3320 Special reserve	227,091	2	222,369	3
					3350 Unappropriated retained earnings (note 6(k))	2,422,489	23	2,276,029	27
					<b>Total retained earnings</b>	3,473,651	33	3,244,579	39
					3400 Other equity	(200,748)	(2)	(227,091)	(2)
					<b>Total equity</b>	4,668,160	45	4,412,745	53
					<b>Total liabilities and equity</b>	\$ 10,437,790	100	8,376,956	100
<b>Total assets</b>	<b>\$ 10,437,790</b>	<b>100</b>	<b>8,376,956</b>	<b>100</b>					

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION**  
(Original name : CHAUN-CHOUNG TECHNOLOGY CORPORATION)

**Statements of Comprehensive Income**

**For the years ended December 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)**

	2021		2020	
	Amount	%	Amount	%
4000 <b>Operating revenues (notes 6(o) and 7)</b>	\$ 7,694,769	100	6,073,490	100
5000 <b>Operating costs (notes 6(e)(g)(k)(p) and 7)</b>	<u>6,998,583</u>	<u>91</u>	<u>5,463,870</u>	<u>90</u>
<b>Gross profit from operations</b>	<u>696,186</u>	<u>9</u>	<u>609,620</u>	<u>10</u>
<b>Operating expenses (notes 6(g)(k)(p) and 7):</b>				
6100 Selling expenses	150,711	2	108,225	2
6200 Administrative expenses	152,693	2	123,538	2
6300 Research and development expenses	306,314	4	222,328	3
6450 Impairment loss determined in accordance with IFRS 9 (note 6(c))	<u>346</u>	<u>-</u>	<u>181</u>	<u>-</u>
<b>Total operating expenses</b>	<u>610,064</u>	<u>8</u>	<u>454,272</u>	<u>7</u>
<b>Net operating income</b>	<u>86,122</u>	<u>1</u>	<u>155,348</u>	<u>3</u>
<b>Non-operating income and expenses:</b>				
7100 Interest income (note 6(q) and 7)	706	-	944	-
7010 Other income (notes 6(q) and 7)	59,058	1	108,453	1
7020 Other gains and losses, net (note 6(h)(q))	48,759	1	108,811	2
7050 Finance costs (notes 6(q) and 7)	(6,180)	-	(916)	-
7070 Share of profit of subsidiaries accounted for using equity method, net	<u>265,004</u>	<u>3</u>	<u>555,278</u>	<u>9</u>
<b>Total non-operating income and expenses</b>	<u>367,347</u>	<u>5</u>	<u>772,570</u>	<u>12</u>
7900 <b>Profit before income tax</b>	453,469	6	927,918	15
7950 <b>Less: Income tax expenses (note 6(l))</b>	<u>103,805</u>	<u>1</u>	<u>145,520</u>	<u>2</u>
<b>Profit</b>	<u>349,664</u>	<u>5</u>	<u>782,398</u>	<u>13</u>
8300 <b>Other comprehensive income:</b>				
8310 <b>Items that may not be reclassified subsequently to profit or loss</b>				
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	66,485	1	(44,726)	(1)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>66,485</u>	<u>1</u>	<u>(44,726)</u>	<u>(1)</u>
8360 <b>Items that may be reclassified subsequently to profit or loss</b>				
8361 Exchange differences on translation	(50,179)	(1)	50,005	1
8391 Other components of other comprehensive income that will be reclassified to profit or loss	(3,956)	-	(4,371)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(10,827)</u>	<u>-</u>	<u>9,127</u>	<u>-</u>
<b>Total components of other comprehensive income that will be reclassified to profit or loss</b>	<u>(43,308)</u>	<u>(1)</u>	<u>36,507</u>	<u>1</u>
8300 <b>Other comprehensive income (loss)</b>	<u>23,177</u>	<u>-</u>	<u>(8,219)</u>	<u>-</u>
<b>Total comprehensive income</b>	<u>\$ 372,841</u>	<u>5</u>	<u>774,179</u>	<u>13</u>
<b>Basic earnings per share (note 6(n))</b>				
<b>Basic earnings per share (NT Dollars)</b>	<u>\$ 4.05</u>		<u>9.06</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION**  
(Original name : CHAUN-CHOUNG TECHNOLOGY CORPORATION)

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

	Retained earnings						Other equity			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
<b>Balance on January 1, 2020</b>	\$ 863,434	531,823	676,028	185,482	2,024,660	2,886,170	(275,080)	52,711	(222,369)	4,059,058
Profit for the year ended December 31, 2020	-	-	-	-	782,398	782,398	-	-	-	782,398
Other comprehensive loss for the year ended December 31, 2020	-	-	-	-	(3,497)	(3,497)	40,004	(44,726)	(4,722)	(8,219)
Comprehensive income for the year ended December 31, 2020	-	-	-	-	778,901	778,901	40,004	(44,726)	(4,722)	774,179
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	70,153	-	(70,153)	-	-	-	-	-
Special reserve	-	-	-	36,887	(36,887)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(420,492)	(420,492)	-	-	-	(420,492)
<b>Balance on December 31, 2020</b>	<u>863,434</u>	<u>531,823</u>	<u>746,181</u>	<u>222,369</u>	<u>2,276,029</u>	<u>3,244,579</u>	<u>(235,076)</u>	<u>7,985</u>	<u>(227,091)</u>	<u>4,412,745</u>
Profit for the year ended December 31, 2021	-	-	-	-	349,664	349,664	-	-	-	349,664
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	(3,165)	(3,165)	(40,142)	66,485	26,343	23,178
Comprehensive income for the year ended December 31, 2021	-	-	-	-	346,499	346,499	(40,142)	66,485	26,343	372,842
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	77,890	-	(77,890)	-	-	-	-	-
Special reserve	-	-	-	4,722	(4,722)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(117,427)	(117,427)	-	-	-	(117,427)
<b>Balance on December 31, 2021</b>	<u>\$ 863,434</u>	<u>531,823</u>	<u>824,071</u>	<u>227,091</u>	<u>2,422,489</u>	<u>3,473,651</u>	<u>(275,218)</u>	<u>74,470</u>	<u>(200,748)</u>	<u>4,668,160</u>

See accompanying notes to parent company only financial statements.



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION**  
(Original name : CHAUN-CHOUNG TECHNOLOGY CORPORATION)

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollar)

	2021	2020
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 453,469	927,918
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	105,736	82,970
Amortization expense	5,395	2,346
Expected credit loss	346	181
Interest expense	6,180	916
Interest income	(706)	(944)
Dividend income	(1,483)	(371)
Share of profit of subsidiaries, accounted for using equity method	(265,004)	(555,278)
(Gain) loss from disposal of property, plant and equipment	(409)	6,905
Property, plant and equipment transferred to expenses	5,210	2,443
Gain from disposal of investment properties	-	(90,619)
Unrealized gain on transactions with affiliates	(5,506)	(48,103)
Unrealized foreign exchange loss	546	368
Gain from lease modifications	(170)	(15)
<b>Total adjustments to reconcile profit</b>	<b>(149,865)</b>	<b>(599,201)</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase) decrease in notes receivable	(1,483)	1,033
(Increase) decrease in accounts receivable	(474,044)	349,070
Increase in accounts receivable due from related parties	(24,505)	(631,364)
Increase in other receivables	(6,891)	(393)
Increase in other receivable due from related parties	(15,657)	(79,691)
(Increase) decrease in inventories	(426,750)	72,736
Increase in prepayments	(6,780)	(3,953)
Increase in other current assets	(7,523)	(23,649)
<b>Total changes in operating assets</b>	<b>(963,633)</b>	<b>(316,211)</b>
Increase (decrease) in accounts payable	279,676	(149,660)
Increase in accounts payable to related parties	829,844	683,626
Increase (decrease) in other payables	1,305	(38,318)
Increase in other payables to related parties	26,016	4,444
Decrease in provisions	-	(553)
Increase (decrease) in other current liabilities	8,559	(3,438)
Decrease in net defined benefit liability	(1,349)	(2,156)
<b>Total changes in operating liabilities</b>	<b>1,144,051</b>	<b>493,945</b>
<b>Total changes in operating assets and liabilities</b>	<b>180,418</b>	<b>177,734</b>
<b>Total adjustments</b>	<b>30,553</b>	<b>(421,467)</b>
Cash inflow generated from operations	484,022	506,451
Interest received	706	944
Interest paid	(6,180)	(916)
Income taxes paid	(35,985)	(27,307)
<b>Net cash flows from operating activities</b>	<b>442,563</b>	<b>479,172</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method	(702,791)	(299,343)
Acquisition of property, plant and equipment	(202,153)	(67,053)
Proceeds from disposal of property, plant and equipment	3,972	8,660
Increase in refundable deposits	(1,508)	(39,965)
Acquisition of intangible assets	(6,835)	(13,740)
Proceeds from disposal of investment properties	-	147,913
Dividends received	371	927
<b>Net cash flows used in investing activities</b>	<b>(908,944)</b>	<b>(262,601)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	201,456	313,280
Decrease in short-term borrowings	(323,730)	-
Proceeds from long-term borrowings	678,720	-
Increase (decrease) in guarantee deposits received	57	(734)
Payment of lease liabilities	(27,565)	(8,920)
Cash dividends paid	(117,427)	(420,492)
<b>Net cash flows used in financing activities</b>	<b>411,511</b>	<b>(116,866)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(6,656)</b>	<b>(368)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(61,526)</b>	<b>99,337</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>546,497</b>	<b>447,160</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 484,971</b>	<b>546,497</b>

See accompanying notes to parent company only financial statements.

[Annex VIII]

**Nidec Chaun-Choung Technology Corporation**  
**2021 Earnings Distribution Table**

Unit: NTD

Item	Amount
Undistributed earnings at the beginning of period	2,075,989,905
Add: adjustment of other comprehensive incomes	
Actuarial profit or loss changes in current period	(3,164,355)
Disposal of equity instruments at fair value through other comprehensive incomes	349,663,543
After tax profit in current period	2,422,489,093
<b>Distributable Earnings</b>	<b>26,342,575</b>
Less: appropriation of 10% as legal reserve	34,649,919
Appropriation of special reserve	0
Appropriation of special reserve for the deduction of equity	0
<b>Items for distribution</b>	
Less: <b>Cash dividends (NT\$0.61/share)</b>	<b>52,669,472</b>
Stock dividends	0
<b>Undistributed Earnings at the ending of the period</b>	<b>2,361,512,277</b>

Note 1 : The earnings distribution of the current period is allotted from the profit of fiscal year 2021.

Note 2 : Cash dividends will be paid in proportion to each shareholding and calculated until NTD Yuan. The figures following NTD Yuan will be rounded off. The distribution amount which is less than NTD Yuan will be aggregated and recognized as non-operating income of the Company.

Chairman: Junichi Nagai

CEO: Junichi Nagai

Head of Accounting: Mei-Hua Chen

[Annex IX]

**Nidec Chaun-Choung Technology Corporation**  
**Comparison Table of the provisions for the Articles of Incorporation**  
**Before and After Amendment**

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
Article 9	<p>The Shareholders Meeting may convene in regular session and special session. A Regular session will be held once every year and shall be convened within six months after close of each fiscal year. A Special session will be held at any time when necessary.</p> <p><u>Meeting of stockholders can be hold as video meeting or other ways announced by central governemtn authority</u></p>	<p>The Shareholders Meeting may convene in regular session and special session. A Regular session will be held once every year and shall be convened within six months after close of each fiscal year. A Special session will be held at any time when necessary.</p>	<p>The amendment was made based on laws and regulatios to make the meanings more clear.</p>
Chapter 4	Directors and Audit Committee	Directors and Supervisors	Amended to consistent with the establishment of Audit Committee replacing to original supervisors.
Article 13	<p>The Company shall have 5 to 13 Directors and 2 to 3 Supervisors. They shall be elected by the shareholders meeting from among the persons with disposing capacity. Each shall have tenure of 3 years and may assume a new term of office if re-elected. The election of Independent Directors and Directors will be held simultaneously, but in separately calculated numbers.</p> <p>The candidate nomination system is adopted for the election of Directors and Supervisors in accordance with Article 192-1 of the Company Act and other applicable laws. Shareholders shall elect from the candidates on the list.</p>	<p>The Company shall have 5 to 13 Directors and 2 to 3 Supervisors. They shall be elected by the shareholders meeting from among the persons with disposing capacity. Each shall have tenure of 3 years and may assume a new term of office if re-elected. The election of Independent Directors and Directors will be held simultaneously, but in separately calculated numbers.</p> <p>The candidate nomination system is adopted for the election of Directors and Supervisors in accordance with Article 192-1 of the Company Act and other applicable laws. Shareholders shall elect from the candidates on the list.</p> <p>The ratio of shareholdings by all Directors and Supervisors shall be governed by the rules and regulations</p>	<p>In consideration of operation needs, adjust the upper limit of total seat number of directors.</p>

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
	<p><u>Audit Committee is organized by all indepent direcotrs as per Article 14-4 of “Securities and Exchange Act.”</u>  <u>Single registered ballot cumulative voting is applied to the election of directors. Each share has the same voting right with the number of directors to be elected. Voting single candidate or several candidates are both allowed. Independent directors and dependent directors are elected simoteniouly, but the election position is calculated separtedly.</u>  The ratio of shareholdings by all Directors and Supervisors shall be governed by the rules and regulations of the competent authority of securities.  Of all the numbers mentioned in paragraph 1, Independent Directors shall not less than <u>three</u> in number and not less than one-fifth of the total number of directors.</p>	<p>of the competent authority of securities.  Of all the numbers mentioned in paragraph 1, Independent Directors shall not less than two in number and not less than one-fifth of the total number of directors.</p>	
Article 13-1	<p><u>Director by-election shall be conducted in ad-hoc stockholders’ meeting in 60 days once the vacancy of directors reaching one of third. The terms of office will be limited to the original.</u></p>	<p>If 1/3 of Directors were left vacant, or <u>the all Supervisors were discharged</u>, the Board shall call for a special session of the Shareholders Meeting to elect new candidates to fill the vacancies within 60 days. The tenure for the new Directors and Supervisors shall cover the rest of the term left behind by their predecessors.</p>	<p>Amended to consistent with the establishment of Audit Committee replacing to original supervisors.</p>
Article 14	<p>The Directors shall be organized into the Board of Directors and the Chairman shall be elected among the Directors with the presence of at least 2/3 of the Directors and approved by a simple majority of the Board. It may also elect in the same manner a vice chairman of the board. The Chairman shall externally act on behalf of the Company.  The reasons for calling a Board of Directors Meeting shall be notified to each director at least seven days in</p>	<p>The Directors shall be organized into the Board of Directors and the Chairman shall be elected among the Directors with the presence of at least 2/3 of the Directors and approved by a simple majority of the Board. It may also elect in the same manner a vice chairman of the board. The Chairman shall externally act on behalf of the Company.  The reasons for calling a Board of Directors Meeting shall be notified to <u>each director and supervisor</u> at least</p>	<p>Amended to consistent with the establishment of Audit Committee replacing to original supervisors.</p>

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
	<p>advance. In emergency circumstances, Board of Directors Meeting may be called at any time. The notice for Board of Directors Meeting may be made by fax or e-mail instead of paper notice. All directors shall attend the Board of Directors Meeting in person. Attendance via video conference is deemed as attendance in person. If specific Director cannot attend the Board of Directors Meeting in person, such Director may issue a power of attorney specifying the scope of authorization, and appoint another Director to act as proxy to attend the Board of Directors Meeting. However, a proxy can accept a proxy from one person only.</p>	<p>seven days in advance. In emergency circumstances, Board of Directors Meeting may be called at any time. The notice for Board of Directors Meeting may be made by fax or e-mail instead of paper notice. All directors shall attend the Board of Directors Meeting in person. Attendance via video conference is deemed as attendance in person. If specific Director cannot attend the Board of Directors Meeting in person, such Director may issue a power of attorney specifying the scope of authorization, and appoint another Director to act as proxy to attend the Board of Directors Meeting. However, a proxy can accept a proxy from one person only.</p>	
Article 16	<p>The Board shall be authorized to determine the remuneration of the <u>Chairman and Directors</u> on the basis of their frequency of participation in the operation and contribution value to the Company with reference to the standards of industry peers. The Company shall take professional liability insurance for the protection of the Directors and Supervisors within the term and their scope of assigned duties with the aspect of their legal liability.</p>	<p>The Board shall be authorized to determine the remuneration of the <u>Chairman, Directors and Supervisors</u> on the basis of their frequency of participation in the operation and contribution value to the Company with reference to the standards of industry peers. The Company shall take professional liability insurance for the protection of the Directors and Supervisors within the term and their scope of assigned duties with the aspect of their legal liability.</p>	Amended to consistent with the establishment of Audit Committee replacing to original supervisors.
Article 18	<p>At the end of each fiscal year, the Board shall prepare the following reports and statements and shall <u>forward the same to regular stockholders' meeting for approval according to legal regulation.</u> 1. Business Report 2. Financial Statements. 3. Proposal for the Earnings Distribution or loss off-setting.</p>	<p>At the end of each fiscal year, the Board shall prepare the following reports and statements and shall <u>forward the same to Supervisors for reviewing 30 days prior to the date of the regular Shareholders' Meeting</u> and propose to the Shareholders' Meeting for recognition. 1. Business Report 2. Financial Statements. 3. Proposal for the Earnings Distribution or loss off-setting.</p>	Amended to consistent with the establishment of Audit Committee replacing to original supervisors.

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
Article 20	The Company shall appropriate not less than 3% of its profit, where applicable, as employees' compensation (the profit before taxes and before the deduction of employees' compensation and Directors' compensation), the Board shall determine the employees' compensation payment by cash or stock, and the employees of subsidiaries who meet the criteria determined by the Board of Directors are also entitled to get the compensation. The Company may also appropriate Directors' compensation not more than 3% of the above profit in accordance with the resolutions of the Board. However, if the Company still has accumulated losses, it should take the profit to cover the cumulative losses at first, then appropriate the remainder as employees' compensation and Directors' compensation.	The Company shall appropriate not less than 3% of its profit, where applicable, as employees' compensation (the profit before taxes and before the deduction of employees' compensation and Directors <u>and Supervisors</u> ' compensation), the Board shall determine the employees' compensation payment by cash or stock, and the employees of subsidiaries who meet the criteria determined by the Board of Directors are also entitled to get the compensation. The Company may also appropriate Directors <u>and Supervisors</u> ' compensation not more than 3% of the above profit in accordance with the resolutions of the Board. However, if the Company still has accumulated losses, it should take the profit to cover the cumulative losses at first, then appropriate the remainder as employees' compensation and Directors <u>and Supervisors</u> ' compensation.	Amended to consistent with the establishment of Audit Committee replacing to original supervisors.
Article 22	(above skipped) Amended for the 33rd version on December 9th, 2020. Amended for the 34th version on August 12th, 2021. <u>Amended for the 35th version on June 20th, 2022.</u>	(above skipped) Amended for the 33rd version on December 9th, 2020. Amended for the 34th version on August 12th, 2021.	Addition of the date of amendment in line with the amendment of the provision in part.

**[Annex X]**

**Nidec Chaun-Choung Technology Corporation**

**Electron of Directors of Board**

- Article 1: To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2: Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:
1. Basic requirements and values: Gender, age, nationality, and culture.
  2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
1. The ability to make judgments about operations.
  2. Accounting and financial analysis ability.
  3. Business management ability.
  4. Crisis management ability.
  5. Knowledge of the industry.
  6. An international market perspective.
  7. Leadership ability.
  8. Decision-making ability.
- More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.
- Article 4: The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

- Article 5: Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.  
When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.  
When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- Article 6: The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8: The number of directors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 9: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.  
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- Article 11: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected,



shall be announced by the chair on the site.

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

Article 12: The board of directors of this Corporation shall issue notifications to the person elected as directors.

Article 13: These procedures and any amendments hereto, shall be implemented after approval by a shareholders meeting.

[Annex XI]

**Nidec Chaun-Choung Technology Corporation**

**Articles comparison table of “Procedure for Acquisition and Disposal of Assets”**

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
<b>Article 7, paragraph 1, item 3</b>	Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:	Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price <u>in accordance with the provisions of the Bulletin on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation</u> :	Remove description “in accordance with the provisions of the Bulletin on Auditing Standards No. 20 issued by the Accounting Research and Development Foundation”
<b>Article 9</b>	If the company obtains or disposes of membership certificates, intangible assets or right-of-use assets, the transaction amount exceeds 20% of the company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies. Before the occurrence of the fact, the accountant shall be contacted to express their opinion on the reasonableness of the transaction price, and the accountant shall act	If the company obtains or disposes of membership certificates, intangible assets or right-of-use assets, the transaction amount exceeds 20% of the company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies. Before the occurrence of the fact, the accountant shall be contacted to express their opinion on the reasonableness of the transaction price, and the accountant shall act <u>in accordance with the provisions of the Bulletin of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation.</u>	Remove in accordance with the provisions of the Bulletin of Auditing Standards No. 20 issued by the Accounting Research and Development Foundation
<b>Article 13, paragraph 2</b>	Removed.	The calculation of the transaction amount shall be carried out in accordance with the provisions of	Combined into paragraph 6.

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
		Article 21, Subparagraph 8 (1) to (4), and the term within one year shall be based on the date of the actual occurrence of the transaction, and shall be retrospectively calculated for one year. It has been submitted to the board of directors for approval and the supervisor recognizes part of the exemption from re-counting.	
<b>Article 13, paragraph 5</b>	If the company or its subsidiary that is not a domestic public offering company has the first transaction and the transaction amount is more than 10% of the company's total assets, the company shall submit the materials listed in the first paragraph to the shareholders' meeting for approval, Before signing the transaction contract and making payment. However, the transaction between the company and its parent company, subsidiaries, or its subsidiaries is not limited to this.	New Article.	New Article.
<b>Article 13, paragraph 6</b>	The calculation of the transaction amount in Paragraph 1 and the preceding Paragraph shall be carried out in accordance with the provisions of Article 21, Paragraph 8 (1) to (4), and the term within one year shall be based on the date of the actual occurrence of this transaction, and the preceding Retrospectively calculated for one year, it has been submitted to the shareholders' meeting, the board of directors for approval and the supervisor's approval part to be exempted from	New Article.	Combined into original paragraph 2 of the same article, and add "stockholders' meeting"

<b>Sequence number</b>	<b>Provisions after amendment</b>	<b>Provisions currently in effect</b>	<b>Reasons for amendment</b>
	re-counting in accordance with the regulations.		

## **III. Appendices**

### **[Appendix I]**

#### **Nidec Chaun-Choung Technology Corporation Articles of Incorporation (Before amendment)**

Passed by the Extraordinary Shareholders Meeting on August 12th ,2021

#### **Chapter I General Provisions**

Article 1: The Company is duly incorporated in accordance with the Company Act and bears the name of 尼得科超眾科技股份有限公司. The name in English is NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION.

Article 2: The Company is engaged in the following business:

- I. C805050 Industrial plastic products manufacturing.
- II. C805070 Tempered plastic products manufacturing.
- III. C805990 Other plastic products manufacturing.
- IV. C901020 Glass and glass products manufacturing.
- V. CA02010 Metallic structures and constructions components manufacturing.
- VI. CB01990 Other machine manufacturing.
- VII. CC01030 Electric appliances and audiovisual electronic products manufacturing.
- VIII. CC01080 Electronic components manufacturing.
- IX. CC01990 Other electrical and electronic machine manufacturing (heat conducting tubes, heat sink, thermal radiation and conduction equipment).
- X. CD01030 Automotive and parts manufacturing.
- XI. CH01040 Toy manufacturing.
- XII. CQ01010 Mold manufacturing.
- XIII. F113010 Wholesale of machines.
- XIV. F113020 Wholesale of electrical appliances.
- XV. F114030 Wholesale of automotive, motorcycle parts and equipment.
- XVI. F119010 Wholesale of Electronic Materials.
- XVII. F219010 Retail of Electronic Materials.
- XVIII. CA02990 Other metallic products manufacturing.
- XIX. CB01010 Machine and equipment manufacturing.
- XX. CD01040 Motorcycles and parts manufacturing.
- XXI. F401010 International trade.
- XXII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 2-1: The Company may undertake guarantees for others.
- Article 3: The Company is headquartered in New Taipei City and may establish branches in Taiwan and other countries in accordance with the resolutions of the Board where necessary.
- Article 4: The Company may make investments as necessary of the business. Acting as a limited liability shareholder of other companies in accordance with the resolutions of the Board. The total amount of investments may not be subject to the restrictions on the amount of investment prescribed by Article 13 of the Company Act.
- Article 4-1: (Deleted)

## **Chapter II Shares**

- Article 5: The Company has stated total capital of NT\$1,200,000,000 evenly split up into 120,000,000 shares, all of which are common shares with NT\$10 per share. Regarding the unissued shares, the Board is authorized to issue the shares in tranches. Of all these shares, 500,000 will be reserved for stock options, preferred shares with warrants or corporate bonds with warrants which are exercised the options.
- Article 6: (Deleted)
- Article 7: The Company issues registered shares and is not required to print physical share certificates and shall contact Taiwan Depository and Clearing Corporation for registration and custody. The same procedure is applicable to the offering of other securities.
- Article 7-1: The Company shall handle stock affairs in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent securities authorities.
- Article 8: The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders meeting, or within 30 days prior to the convening date of a special shareholders meeting, or within 5 days prior to the target date for distribution of dividends, bonus or other benefits.

## **Chapter III Shareholders' Meeting**

- Article 9: The Shareholders Meeting may convene in regular session and special session. A Regular session will be held once every year and shall be convened within six months after close of each fiscal year. A Special session will be held at any time when necessary.
- Article 10: If a specific shareholder cannot attend Shareholders' Meeting in person, such shareholder may use the power of attorney prepared by the Company and specify the scope of authorization to appoint a proxy to attend the meeting. The regulations governing the appointment of proxy to attend a Shareholders' Meeting shall be in compliance with Article 177 of the Company Act and also the “Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies” promulgated by the competent authority.

Article 11: Shareholders shall have one voting power in respect of each share in his/her/its possession. However, there is no voting power if there are restrictions imposed by relevant laws and regulations.

Article 12: Resolutions of the Shareholders Meeting shall be made by a simple majority of the shareholders or proxies in session and representing more than half of the outstanding shares unless the law provides otherwise.

Article 12-1: Where the Board may call for the Shareholders Meeting, the presiding officer shall comply with Paragraph 3 of Article 208 of the Company Act. Where a third party (parties) may convene the Shareholders Meeting, the convener shall act as the presiding officer. If there are 2 or more parties calling for the meeting, 1 should be nominated from among these parties to preside over the Shareholders Meeting.

Article 12-2: The resolutions of the Shareholders Meeting shall be made as minutes of meeting on record, confirmed by the presiding officer with signature or seal, and release to the shareholders within 20 days after the convention. The composition of the minutes of the meeting on record may be released electronically.

#### **Chapter IV Directors and Audit Committee**

Article 13: The Company shall have 5 to 13 Directors and 2 to 3 Supervisors. They shall be elected by the shareholders meeting from among the persons with disposing capacity. Each shall have tenure of 3 years and may assume a new term of office if re-elected. The election of Independent Directors and Directors will be held simultaneously, but in separately calculated numbers.

The candidate nomination system is adopted for the election of Directors and Supervisors in accordance with Article 192-1 of the Company Act and other applicable laws. Shareholders shall elect from the candidates on the list.

The ratio of shareholdings by all Directors and Supervisors shall be governed by the rules and regulations of the competent authority of securities.

Of all the numbers mentioned in paragraph 1, Independent Directors shall not less than two in number and not less than one-fifth of the total number of directors.

Article 13-1: If 1/3 of Directors were left vacant, or the all Supervisors were discharged, the Board shall call for a special session of the Shareholders Meeting to elect new candidates to fill the vacancies within 60 days. The tenure for the new Directors and Supervisors shall cover the rest of the term left behind by their predecessors.

Article 14: The Directors shall be organized into the Board of Directors and the Chairman shall be elected among the Directors with the presence of at least 2/3 of the Directors and approved by a simple majority of the Board. It may also elect in the same manner a vice chairman of the board. The Chairman shall externally act on behalf of the Company.

The reasons for calling a Board of Directors Meeting shall be notified to each director and supervisor at least seven days in advance. In emergency circumstances, Board of Directors Meeting may be called at any time. The notice for Board of Directors Meeting may be made by fax or e-mail instead of paper notice.

All directors shall attend the Board of Directors Meeting in person. Attendance via video conference is deemed as attendance in person.

If specific Director cannot attend the Board of Directors Meeting in person, such Director may issue a power of attorney specifying the scope of authorization, and appoint another Director to act as proxy to attend the Board of Directors Meeting. However, a proxy can accept a proxy from one person only.

Article 15: In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, the proxy mechanism shall be governed by Article 208 of the Company Act. If specific Director cannot attend the Board of Directors Meeting, the proxy shall be proceed to Article 205 of the Company Act.

Article 15-1: Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 16: The Board shall be authorized to determine the remuneration of the Chairman, Directors and Supervisors on the basis of their frequency of participation in the operation and contribution value to the Company with reference to the standards of industry peers.

The Company shall take professional liability insurance for the protection of the Directors and Supervisors within the term and their scope of assigned duties with the aspect of their legal liability.

## **Chapter V Managerial Officers**

Article 17: The Company shall establish the positions for several managerial officers. The appointment, dismissal and remuneration of whom shall be handled in accordance with the Article 29 of the Company Act.

## **Chapter VI Accounting**

Article 18: At the end of each fiscal year, the Board shall prepare the following reports and statements and shall forward the same to Supervisors for reviewing 30 days prior to the date of the regular Shareholders' Meeting and propose to the Shareholders' Meeting for recognition. 1. Business Report 2. Financial Statements. 3. Proposal for the Earnings Distribution or loss off-setting.

Article 19: (Deleted)

Article 20: The Company shall appropriate not less than 3% of its profit, where applicable, as employees' compensation (the profit before taxes and before the deduction of employees' compensation and Directors and Supervisors' compensation), the Board shall determine the employees' compensation payment by cash or stock, and the employees of subsidiaries who meet the criteria determined by the Board of Directors are also entitled to get the compensation. The Company may also appropriate Directors and Supervisors' compensation not more than 3% of the above profit in accordance with the resolutions of the Board. However, if the Company still has accumulated losses, it should take the profit to cover the cumulative losses at first, then appropriate the remainder as employees' compensation and Directors and Supervisors' compensation.



Article 20-1: If the Company has net profit after tax the current period after the annual accounting settlement, the Company shall take the profit to cover the cumulative losses (including adjustment of the undistributed earnings) at first, then distribute as the following priorities:

- (1) Appropriation of 10% as a legal reserve until the amount of legal reserve is equivalent to the paid-in capital.
- (2) Appropriation or reversal of special reserve in accordance with applicable laws or requirements of the competent authority.
- (3) Add to the undistributed earnings accumulated in the preceding fiscal years to pool up as distributable earnings. The Board shall submit the proposal of earnings distribution subject to the approval of the Shareholders Meeting.

The Company is still at the growth stage. In consideration of the Company's environment and industrial growth, capital requirements in the future and the long- term financial planning as well as maintaining sustainable and stable business development, the Company adopts the policy of dividend payment from earnings. In general, earnings for distribution will not less than 15% of the after tax profit of current period. Further to the aforementioned requirements, stock dividends shall not be higher than 80% and cash dividends shall not less than 20% of the total dividends amount.

## **Chapter VII Miscellaneous**

Article 21: Anything not covered by the Articles of Incorporation shall be governed by the Company Act.

Article 22: The Articles of Incorporation are instituted on December 14th, 1973.

- Amended for the 1st version on July 5th, 1976.
- Amended for the 2nd version on January 25th, 1977.
- Amended for the 3rd version on April 12th, 1980.
- Amended for the 4th version on July, 26th, 1982.
- Amended for the 5th version on August 26th, 1982.
- Amended for the 6th version on September 20th, 1982.
- Amended for the 7th version on March 4th, 1985.
- Amended for the 8th version on July 12th , 1986.
- Amended for the 9th version on October 3rd, 1986.
- Amended for the 10th version on September 5th, 1990.
- Amended for the 11th version on March 26th, 1991.
- Amended for the 12th version on June 15th, 1995.
- Amended for the 13th version on December 19th, 1995.
- Amended for the 14th version on November 16th, 1998.
- Amended for the 15th version on July 29th, 1999.
- Amended for the 16th version on August 31st, 1999.
- Amended for the 17th version on April 25th, 2000.
- Amended for the 18th version on June 9th, 2000.
- Amended for the 19th version on June 14th, 2002.
- Amended for the 20th version on June 25th, 2003.
- Amended for the 21st version on June 25th, 2003.
- Amended for the 22nd version on June 21st, 2004.

Amended for the 23rd version on February 25th, 2005.  
Amended for the 24th version on June 10th, 2005.  
Amended for the 25th version on June 9th, 2006.  
Amended for the 26th version on June 13th, 2007.  
Amended for the 27th version on June 16th, 2009.  
Amended for the 28th version on June 4th, 2010.  
Amended for the 29th version on June 21st, 2012.  
Amended for the 30th version on June 13th, 2016.  
Amended for the 31st version on June 20th, 2017.  
Amended for the 32nd version on June 22nd, 2020.  
Amended for the 33rd version on December 9th, 2020.  
Amended for the 34th version on August 12th, 2021.

## [Appendix II]

### **Nidec Chaun-Choung Technology Corporation Procedures for Election of Directors and Supervisors**

Passed by the Shareholders Meeting on June 20, 2017

Article 1: (Basis and Scope of Application)

The rule of procedures for the election of directors and supervisors of the Company, except as otherwise provided by law, regulation, or the Company Act, shall be as provided in this Procedure.

Article 2: (The Candidate Nomination System)

Elections of both directors and supervisors of the Company shall be conducted in accordance with the candidate nomination system at shareholders meeting and single candidate cumulative voting shall be adopted. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 3:

More than half of the Company's directors elect, at least one or more supervisors elect, or one or more supervisors elect and directors elect, among whom shall not have the relationships as follows,

1. A spousal relationship.
2. A familial relationship within the second degree of kinship.

Article 4: (Election Matters)

Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those receiving ballots representing the prevailing numbers of voting rights will be the directors or supervisors elect

Article 5: (Rules for Director and Supervisor Elect)

According to the stipulated number of directors and supervisors of the Company as well as the election results, those receiving ballots representing the higher numbers of voting rights will be elected. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

The Candidate Nomination System is adopted for elections of directors (including independent directors) and supervisors. Election of both directors and independent directors shall be held at the same time and ballots shall be calculated separately to determine separate elects.

Article 6 (Ballot Preparation)

Ballots shall be prepared and printed by the Company with clear statements indicating the number of shares that have the voting right.

Article 7: (Valid Ballot)

Voters shall follow the instruction on the ballot to provide the necessary information.

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name on ballot, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each representative shall be entered respectively.

Article 8: (Invalid Ballot)

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by this procedure.
2. The ballot was blank or copied.
3. The writing is unclear and indecipherable.
4. The candidate whose name is entered in the ballot with shareholder status, but the candidate's account name and shareholder account number do not conform to those given in the shareholder register. For a non-shareholder, the name and identity card number of the candidate is not consistent with the verification.
5. Other words or marks are entered in addition to the candidate's account name (or name) or shareholder account number (or identity card number) and the number of voting rights allotted.
6. No candidate's shareholder account number (or identity card number) is entered when the name of a candidate is same as that of other shareholders for identification purpose.
7. On the same ballot, two or more candidates were entered.

Article 9: (Vote Calculation and Announcement)

The voting rights shall be calculated on site immediately after the end of the poll and the results of the calculation shall be announced by the chair or Master of Ceremony on site. The directors and supervisors elect shall issue consent letter in accordance with the law after the shareholders meeting.

Article 10: (Disqualification)

1. When an elected director or supervisor of the Company does not conform to this Procedure, the following rules shall be adopted to decide who will be the elected director or supervisor.
2. For directors who do not conform to the rules, among whom who acquired the lowest voting rights shall be disqualified.

3. For supervisors who do not conform to the rules, the proceeding paragraph shall be applicable.
4. Among supervisors and directors who do not conform to the rule, a supervisor who obtained the lowest voting rights shall be disqualified.

Article 11 (Implementation and Amendment)

This Procedure shall be implemented after the approval of the Shareholders Meeting. The same procedure is applicable to any amendments thereto.

## [Appendix III]

### **Nidec Chaun-Choung Technology Corporation Rules of Procedure for Shareholders Meeting**

Passed by the Shareholders Meeting on June 21, 2012

- Article 1: The rule of procedure for Shareholders Meeting of the Company, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in this Rules.
- Article 2: Shareholders under this Procedure are shareholders themselves and the proxy appointed by the shareholders to attend the Meeting in accordance with the law.
- Article 3: The shareholders or proxies shall hand over attendance cards instead of signing to attend the Shareholders Meeting. The number of shares in attendance shall be calculated according to the attendance cards handed over. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
- Article 4: Attendance and vote at Shareholders meeting shall be calculated based on numbers of shares.
- Article 5: The chair shall call the Meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still not represent enough, the chair shall declare the meeting adjourned. However, if the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another Shareholders Meeting shall be convened within 1 month. When, prior to conclusion of the meeting, the attending shareholders represent one third or more of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the Shareholders Meeting pursuant to Article 174 of the Company Act.
- Article 6: If a Shareholders Meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- Article 7: The Company may appoint its attorneys, Certified Public Accountants, or related persons retained by it to attend a Shareholders Meeting in a non-

voting capacity.

- Article 8: Staffs handling administrative affairs of a Shareholders Meeting shall wear identification cards or arm bands.
- Article 9: The Company shall make an audio or video recording through the entire procedure of the Shareholders Meeting and retain the recorded materials for at least 1 year.
- Article 10: If a Shareholders Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the Shareholders Meeting.
- Article 11: Before speaking, the chair may ask an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders' speak will be set by the chair.
- Article 12: A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- Article 13: Shareholders may restrain the authority of proxies in the power of attorney or through other means, and whether such restraint is known to the Company or not, the speech and votes of the proxies shall prevail.
- Article 14: Each shareholder may express an opinion on the same motion for no more than twice unless with the consent of the chair. Five minutes are allowed for each expression, shareholders violate the forementioned regulations or exceed the scope of the agenda, the chair shall stop the shareholder from going on with the expression.
- Article 15: When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the Shareholders Meeting.
- Article 16: When a juristic person shareholder appoints two or more representatives to attend a Shareholders Meeting, only one of the representatives appointed may speak on the same proposal.
- Article 17: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- Article 18: Regarding the discussion of motions, when the chair considers the motion has been discussed sufficiently and shall put it to a vote, the chair may announce the discussion closed and call for a vote.
- Article 19: If it is not a motion, it will not be discussed or voted. When the chair considers the motion has been discussed sufficiently and shall put it to a vote, the chair may announce the discussion closed.
- Article 20: When the chair announces for the discussion of particular motion closed and proceed to vote, several motions may be voted simultaneously, but shall vote separately.
- Article 21: The venue for a Shareholders Meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a Shareholders Meeting. The meeting may begin no earlier than 9 a.m. and no later than 3

p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

- Article 22: Except as otherwise provided in the Company Act and in the Articles of Incorporation, the passage of a motion shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If the chair consults without dissent, it shall be deemed as passed its effect shall be the same as that of the vote.
- Article 23: When there is an amendment or an alternative to a motion, the chair shall present the amended or alternative motion together with the original motion and decide the order in which they will be put to a vote. When any one among them is passed, the other motions will then be deemed rejected, and no further voting shall be required.
- Article 24: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under the related laws or regulations.
- Article 25: Regarding the monitoring and counting personnel for the voting on a motion shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
- Article 26: (Deleted)
- Article 27: When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 28: When a meeting is in progress, if there is an air raid warning, earthquake or other force majeure events, the chair shall announce the meeting discontinued at once and evacuate from the meeting place. After the reason of the discontinuation of the meeting is eliminated, the chair shall determine if the meeting shall be continued.
- Article 29: Anything not covered by the Procedure shall be governed by the Company Act, the Articles of Incorporation of the Company and other applicable laws.
- Article 30: This Procedure shall be implemented after the approval of the Shareholders Meeting. The same procedure is applicable to any amendments thereto.



**[Appendix IV]**

**Nidec Chaun-Choung Technology Corporation  
Shareholdings of Directors and Supervisors**

- I. The Company has paid-in capital of NT\$863,433,960 with the outstanding of 86,343,396 shares.
- II. According to Article 26 of the “Securities and Exchange Act” and the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the minimum quantity of shareholdings held by all Directors is 6,907,471 shares and held by all Supervisors is 690,747 shares.
- III. As of the day on which share transfer is prohibited before the Shareholders Meeting, the individual and total shareholdings of all Directors and Supervisors showed on the list of the shareholders is as follows,

April 22, 2022; Unit: shares

Title	Name	Shareholdings as of the day of prohibition of share transfer	
		Shares Held	Shareholdings Percentage
Chairman	Nidec Corporation Representative: Junichi Nagai	74,448,982	86.22%
Director	Nidec Corporation Representative: Eiji Miyamoto	74,448,982	86.22%
Director	Nidec Corporation Representative: Yasuhiro Mase	74,448,982	86.22%
Director	Nidec Corporation Representative:	74,448,982	86.22%
Director	Nidec Corporation Representative: Hidetoshi Matsuhashi	74,448,982	86.22%
Independent Director	Ke-Wei Hsu	0	0.00%
Independent Director	Ya-Ping Chiang	0	0.00%
<b>Total quantity of shares held by all Directors</b>		74,448,982	86.22%

April 22, 2022 ; Unit: shares

Title	Name	Shareholdings as of the day of prohibition of share transfer	
		Shares Held	Shareholding Percentage
Supervisor	Isao Takahashi	0	0
Supervisor	Yu-Chun Yen	54,916	0.06%
<b>Total quantity of shares held by all Supervisors</b>		54,916	0.06%