

Stock Code:6230



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

**2023 Annual Shareholders Meeting Handbook**

(Translation Version)

Date of meeting : June 20, 2023 (Tuesday), 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) 2023 Annual Shareholders Meeting Agenda**

**Date of meeting:** June 20, 2023 (Tuesday), 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 2022 Business Report.

(II) The 2022 Audit Committee's Review Report.

(III) Report on 2022 Employees' profit sharing bonus and Directors' compensation.

(IV) Report on the amendment of "Rules of Procedure for the Board of Directors".

**IV. Proposed Resolutions**

(I) The 2022 Business Report and Financial Statements for Recognition.

(II) The 2022 Earnings Distribution for Recognition.

**V. Matters for Discussion**

(I) Amendment of the Company's "Procedures for Election of Directors"

**VI. Extempore Motions**

**VII. Meeting Adjourned**

# I. Report Items

## Item No. 1:

### **Agenda: The 2022 Business Report of the Company.**

Description: The 2022 Business Report of the Company, please refer to Annex I (P.7-11).

## Item No. 2:

### **Agenda: The 2022 Audit Committee's Review Report.**

Description: (I) The 2022 Business Report, Consolidated Financial Statements, Standalone Financial Statements and the 2022 Earnings Distribution have been reviewed by Audit Committee with the issuance of the Review Report.

(II) The Audit Committee's Review Report, please refer to Annex II (P.12)

## Item No. 3:

### **Agenda: Report on 2022 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 2022 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, 2023. The amount of 2022 Employees' profit sharing bonus is NT\$23,971,998, the Directors and Supervisors' compensation is NT\$3,887,670, both of them will be fully paid in cash.

## Item No. 4:

### **Agenda: Report on the amendment of "Rules of Procedure for the Board of Directors".**

Description: In accordance with the Order No. 1110383263 issued by the Financial Supervisory Commission on August 5, 2022, some provisions of the company's "Rules of Procedure for the Board of Directors " have been revised. For a comparison table of revised provisions, please refer to Annex III (P.13-14)

## II. Proposed Resolutions

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

**Agenda: The 2022 Business Report and Financial Statements of the Company for Recognition**

Description: (I) The 2022 Business Report and Financial Statements of the Company have been passed by the Board. The Financial Statements have been audited by Hui-Chih Ko and Ji-Long Yu, 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 audit committee with the issuance of Review Report.

(II) The information on 2022 Business Report, Independent Auditors' Report and Financial Statements, please Refer to Annex I (P.7-P.11), Annex IV and Annex V (P.15-P.29).

(III) For recognition.

Resolution:

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

**Agenda: The 2022 Earnings Distribution of the Company for Recognition.**

Description: (I) The Proposal for the 2022 Earnings Distribution of the Company has been passed by the Board and reviewed by the Audit Committee. The 2022 Earnings Distribution Table, please Refer to Annex VI (P.30).

(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 re-purchase 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 Company’s “Procedures for Election of Directors”**

Description: (I) According to the company's actual operational needs, it is proposed to revise some provisions of the company's "Director Election Method". For the comparison table of revised provisions, please refer to Annex VII (P.31).

(II) For resolution.

Resolution:

### **IV. Extempore Motions**

### **V. Meeting Adjourned**

## **II. Annexes**

### **[Annex I]**

#### **Nidec Chaun-Choung Technology Corporation**

#### **The 2022 Business Report**

##### **I. The 2022 Business Report**

In 2022, the Company generated consolidated net revenues totaling NT\$11,897,939 thousand, increased by 8% from NT\$11,011,928 thousand in 2021; pre-tax profit was concluded at NT\$933,376 thousand, decreased by 82% from NT\$512,508 thousand in 2021; net income amounted to NT\$613,158 thousand, representing an EPS of NT\$7.1 that was 75% higher than pre-tax profit of NT\$349,664 thousand and EPS of NT\$4.05 in the previous year. Recently, it has benefited from the the growth in demand for PCs (NB/DT), gaming and entertainment, telecommunication network, servers, data center and high performance computing. Following the continuous improvement of performance and computing speed as well as the increased power consumption, the quality and sales of thermal management devices gain the constant growth. However, due to the fact that the international inflation situation has not been alleviated, and the exchange rate of the US dollar and the currencies of various countries fluctuate greatly, it also becomes a challenge of operation and profitability.

Nowadays, there has been a shift in focus of thermal management devices from PCs to smartphones, cloud data centers, IoT, automotive, telecommunication, computing and smart appliance as cloud computing, AI and 5G technologies are growing and turning mature. The growth of overall demand and market size for thermal management devices continues. In order to provide a more diverse thermal management product portfolio, the Company will continue its effort in servicing existing customers and pro-actively develop heat management products for automotive, cloud data centers, portable devices, gaming devices, high-voltage air cooling systems and water-cooling systems to satisfy the needs in the market. Much of the Company's investment has been aimed toward capitalizing on EV, AI, IoT and 5G applications and connecting key regions/customers around the world. These are the advantages we will be relying upon to explore new customers and enhance service to existing customers.

The company's R&D team not only focuses on mature and stable heat dissipation products to make them thinner and more performance-improved, but also includes gaming notebook (Gaming NB) overclocking heat dissipation modules, action cameras (Action Camera) thin and light heat plate components, high-density High Computing Performance (HPC) workstation-level server cooling modules, and automatic driving assistance system (ADAS) liquid cooling plate cooling solutions,

integrating air cooling/liquid cooling systems and active/passive cooling design solutions and other developments. In addition, we are heading to ~30~ copper alloy technology research and development is aimed at applying to more stringent automotive and power electronics cooling solutions, which require higher cooling power, stronger strength, and lighter weight. In the face of increased risks of global geopolitical security changes in recent years, sharp fluctuations in raw material prices, rising inflation, and the unbalanced supply and demand of the global industrial chain and product price competition caused by COVID-19, the company will continue to devote itself to process optimization. In order to improve production capacity and productivity, we will continue to innovate technologies, products and applications to ensure that our core competitiveness and comprehensive operating performance continue to lead the industry.

(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 2022, as the Company did not release the information of financial forecasts in 2022.

(III) Revenue, Expenditure and profitability analysis

Currency unit: NTD thousands

Item		Year	2021	2022
Financial Income and Expenditure	Operating Revenue		11,011,928	11,897,939
	Gross Profit from Operation		1,729,957	2,176,310
	Net Profit		349,664	613,158
Profitability	Return on Assets (%)		3.68	5.68
	Return on Equity (%)		7.70	12.23
	Pre-tax Profit as a percentage of Paid-up Capital (%)		59.35	108.10
	Net profit rate (%)		3.17	5.15
	Basic Earnings per Share (NT\$)		4.05	7.10

(IV) Research and Development

1. Research and Development Expenses in the last two years

Currency unit: NTD thousands

Item		Year	2021	2022
R&D Expenses			506,726	574,543
As a Percentage of Current Year Revenue (%)			4.60	4.60

2. Research and Development Outcomes

(1) Successfully developed technologies or products

- (i) Cooling products for smart phones -- ultra-thin vapor chamber below 0.3mm has been developed.
  - (ii) Heat dissipation products for high-density computing servers - the development of air-cooled heat dissipation modules with a power of more than 300 watts have been completed.
  - (iii) Heat dissipation products for Netcom equipment -- the development of air-cooled heat dissipation modules above 600 watts have been completed.
  - (iv) Vehicle-mounted IGBT heat dissipation products - the development of liquid cooling modules above 2000 watts have been completed.
- (2) Technologies or products to be developed
- (i) Continue to develop 3S light/thin/strong (Slight/Slim/Strong) heat dissipation products.
  - (ii) AI chip heat dissipation products -- 100 W/cm<sup>2</sup> ~ 200W/cm<sup>2</sup> high heat flux heat transfer element development.
  - (iii) The third generation of semiconductor heat dissipation products - the development of extremely high and low temperature heat transfer components resistant from -40 °C to 260 °C.
  - (iv) Meta wearable heat dissipation products - development of light and thin non-copper alloy heat transfer components.

## **II. Summary of 2022 Business Plan**

### **(I) Operational Guidelines**

1. Actively develop new industries and fields, new cooperative customers, and immediately grasp opportunities to expand revenue scale.
2. Integrate R&D departments, strengthen organizational strength, and shorten product development cycle. There is also a dedicated research and development center, research and develop new products and technologies to solidify the niche for future competition.
3. Integrate R&D departments, strengthen organizational strength, and shorten product development cycle. There is also a dedicated research and development center, research and develop new products and technologies to solidify the niche for future competition.
4. Reduce costs by expanding the production of Vietnam factories and accelerating the automation and labor saving of Chinese factories.
5. The Taiwan factory will focus on R&D and production of new models, and the mass-produced models will gradually be transferred overseas.

### **(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 2023.

**(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) 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.
- (III) Enhance the quality and energy of R&D, and share the achievements and revenue growth performance with customers.
- (IV) Speed up production capacity expansion to satisfy future market demand.
- (V) Focus on ESG (Environment, Society, and Governance) developing and related subjects, and follow the guidance and timetable of Financial Supervisory Commission on Greenhouse Gas Inventory. 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.

**IV. Influences from external competitors, regulations, and overall business environment**

The company is facing external market competition, new regulations promulgated by securities authorities, domestic and foreign environmental protection laws, and changes in the global economic environment, which are affecting the company's operating performance and results. In response to the challenges of the overall economic issues and globalization, the company not only complies with the regulations of the securities authorities, but also cooperates with upstream and downstream suppliers to improve the self-made components. Enhance the production process to reduce costs, and make complete plan for raw material procurement to

fulfill the customer order in needs, so as to continuously increase the company's competitiveness.

With our best regards and wishes  
Sincerely yours,

Chairman: Junichi Nagai

CEO: Junichi Nagai

Head of Accounting: Mei-Hua Chen

**[Annex II]**

**Nidec Chaun-Choung Technology Corporation**

**Audit Committee's Review Report**

The Board of Directors has prepared the Business Report, Consolidated Financial Statements, Standalone Financial Statements and the Earnings Distribution in 2022. I have reviewed these reports and statements, which were appropriately done. I hereby issue this Review Report pursuant to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act.

To

2023 Annual Shareholders Meeting of Nidec Chaun-Choung Technology Corporation

Convener of Audit Committee:  
Cf Taxcpa

March 24, 2023

[Annex III]

**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>(Convening and notice of board meetings)</p> <p>The Company's board of directors meets quarterly. The reasons for calling a board of directors meeting, the date and location of a meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients</p> <p><b>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. <u>None of those matters may be raised by an extraordinary motion.</u></b></p>	<p>(Convening and notice of board meetings)</p> <p>The Company's board of directors meets quarterly. The reasons for calling a board of directors meeting, the date and location of a meeting shall be notified to each <b>director</b> at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.</p> <p>The notice to be given under the preceding paragraph may be effected by means of electronic transmission with the prior consent of the recipients</p> <p><b>All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a board meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.</b></p>	<p>Cooperate with the announcement of the Financial Supervisory Commission to amend some provisions of the "Procedures of the Board of Directors of Publicly Issued Companies"</p>
Article 12	<p>(Matters requiring discussion at a board meeting)</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <p><u>6. The election or dismissal of the Chairman if there is no executive director in the board.</u></p> <p>7. The appointment or discharge of a financial, accounting, or internal audit officer.</p>	<p>(Matters requiring discussion at a board meeting)</p> <p>The matters listed below as they relate to this Corporation shall be raised for discussion at a board meeting:</p> <p>6. The appointment or discharge of a financial, accounting, or internal audit officer.</p> <p>7. A donation to a related party or a major donation to a non-related party, provided that a</p>	<p>With reference to the provisions of the Company Law and the explanation from the Ministry of Economic Affairs, and based on the fact that the dismissal and appointment of the</p>

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
	<p>8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>9. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.....(Omitted)</p>	<p>public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.</p> <p>8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.....(Omitted)</p>	<p>chairman are both important matters of the company, therefore add new content of paragraph 6. The current paragraphs 6 to 8 are transferred to paragraphs 7 to 9.</p>

# [Annex IV] 2022 Independent Auditors' Report and Consolidated 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 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, IFRIC, 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)  
NIDEK 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(b)(q) and 7)	\$ 199,296	2	313,280	4
1150	Notes receivable, net (notes 6(c)(a)(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)(a)(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	<b>Total other non-current liabilities</b>	<b>33,028</b>	<b>1</b>	<b>-</b>	<b>-</b>
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	
						<b>Total retained earnings</b>	<b>3,473,651</b>	<b>33</b>	<b>3,244,579</b>	<b>37</b>	
					3400	Other equity	(200,748)	(2)	(227,091)	(2)	
						<b>Total equity</b>	<b>4,668,160</b>	<b>44</b>	<b>4,412,745</b>	<b>51</b>	
						<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	Operating revenues (notes 6(n) and 7)	11,011,928	100	9,123,421	100
5000	Operating costs (notes 6(d)(e)(f)(j)(o) and 7)	<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))	<u>709</u>	<u>-</u>	<u>181</u>	<u>-</u>
	<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)	<u>(6,229)</u>	<u>-</u>	<u>(1,042)</u>	<u>-</u>
	<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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<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	<u>(10,827)</u>	<u>-</u>	<u>9,127</u>	<u>-</u>
	<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		Total	Total 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
<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)	4,059,038
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)
<b>Comprehensive income for the year ended December 31, 2020</b>	-	-	-	-	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)
<b>Balance on December 31, 2020</b>	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
<b>Comprehensive income for the year ended December 31, 2021</b>	-	-	-	-	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)
<b>Balance on December 31, 2021</b>	\$ 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)**

	<b>2021</b>	<b>2020</b>
<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
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(37,100)</b>	<b>303,950</b>
Cash and cash equivalents at beginning of period	1,774,664	1,470,714
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,737,564</b>	<b>1,774,664</b>

See accompanying notes to consolidated financial statements.

# [Annex V] 2022 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(t))	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>	<b>4,428,857</b>	<b>42</b>	<b>3,346,285</b>	<b>40</b>
<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(i)(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(l))	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>	<b>1,340,773</b>	<b>13</b>	<b>617,926</b>	<b>7</b>
1840 Deferred tax assets (note 6(l))	77,409	1	52,509	1	<b>Total liabilities</b>	<b>5,769,630</b>	<b>55</b>	<b>3,964,211</b>	<b>47</b>
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>	<b>3,473,651</b>	<b>33</b>	<b>3,244,579</b>	<b>39</b>
					3400 Other equity	(200,748)	(2)	(227,091)	(2)
					<b>Total equity</b>	<b>4,668,160</b>	<b>45</b>	<b>4,412,745</b>	<b>53</b>
					<b>Total liabilities and equity</b>	<b>\$ 10,437,790</b>	<b>100</b>	<b>8,376,956</b>	<b>100</b>
<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
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
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)
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
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)
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 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
Cash flows from (used in) operating activities:		
Profit before tax	\$ 453,469	927,918
Adjustments:		
Adjustments to reconcile profit:		
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>
Changes in operating assets and liabilities:		
(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>
Cash flows from (used in) investing activities:		
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>
Cash flows from (used in) financing activities:		
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>
Effect of exchange rate changes on cash and cash equivalents	(6,656)	(368)
Net (decrease) increase in cash and cash equivalents	(61,526)	99,337
Cash and cash equivalents at beginning of period	546,497	447,160
Cash and cash equivalents at end of period	<b>\$ 484,971</b>	<b>546,497</b>

See accompanying notes to parent company only financial statements.

[Annex VI]

**Nidec Chaun-Choung Technology Corporation**  
**2022 Earnings Distribution Table**

Unit: NTD

Item	Amount
Undistributed earnings at the beginning of the period	2,361,512,27
Plus: the adjustment of other comprehensive income	
Actuarial gains and losses of the period	3,478,94
<b>Net Income of 2022</b>	<b>613,157,47</b>
<b>Distributable earnings</b>	<b>2,978,148,69</b>
Plus : Reversal of special reserve for the deduction of equity	126,356,02
Subtract : 10% legal reserve	61,663,64
Set aside special reserve	
Set aside special reserve for the deduction of equity	
<b>Distributions</b>	
<b>Subtract : cash dividend (1.07 NTD dollars per share)</b>	<b>92,397,43</b>
Stock dividends	
<b>Undistributed earnings at the end of the period</b>	<b>2,050,453,65</b>

Note 1 : The earnings distribution of the current period is allotted from the profit of fiscal year 2022.

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 VII]

**Nidec Chaun-Choung Technology Corporation**  
**Comparison Table of the provisions for Elecrtion of Directors of Board**  
**Before and After Amendment**

Sequence number	Provisions after amendment	Provisions currently in effect	Reasons for amendment
Article 9	Before the election begins, the chair shall appoint a number of persons to perform the respective duties of vote monitoring and counting personnel, <u>and the persons who perform the respective duties of vote monitoring should with shareholder ststus.</u> The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.	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.	1. Revise punctuation.  2. The counter may not be a shareholder.
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 <u>or the personnel designated by the chair on the site.</u> The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.	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.	Revise according to the actual situation.
Article 12	The board of directors of this Corporation shall issue notifications to the person <u>elected</u> as directors.	The board of directors of this Corporation shall issue notifications to the person lected as directors.	Rewording

### **III. Appendices**

#### **[Appendix I]**

#### **Nidec Chaun-Choung Technology Corporation Articles of Incorporation**

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.

The shareholders meeting might be held via video conference or other means in session, which announced by the central competent authority.

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. 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.

According to Article 14-4 of the Securities and Exchange Act, the company has set up an "Audit Committee" consisting of all independent directors.

The election of directors adopts the method of single-register cumulative voting. Each share has the same voting rights as the number of directors to be elected. One person may be elected collectively or the number of persons to be elected shall be distributed. Independent directors and non-independent directors shall be elected together and the number of elected persons shall be calculated separately.

The ratio of shareholdings by all Directors 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 three 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 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.  
Amended for the 35th version on June 20th , 2022.

## [Appendix II]

### **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 III]**

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

- 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.
- 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, 2023; Unit: shares

Title	Name	Shareholdings as of the day of prohibition of share transfer	
		Shares Held	Shareholdings Percentage
Chairman	Nidec Corporation Representative: Junichi Nagai	74,514,982	86.30%
Director	Nidec Corporation Representative: Masahiro Hishida	74,514,982	86.30%
Director	Nidec Corporation Representative: Eiji Miyamoto	74,514,982	86.30%
Director	Nidec Corporation Representative: Matsubishi Hidetoshi	74,514,982	86.30%
Director	Nidec Corporation Representative: Tetsu Nishizawa	74,514,982	86.30%
Director	Nidec Corporation Representative: Kino Tetsuo	74,514,982	86.30%
Director	Nidec Corporation Representative: Akio Tatsumi	74,514,982	86.30%
Director	Nidec Corporation Representative: Shinji Takasawa	74,514,982	86.30%
Independent Director	Ke-Wei Hsu	0	0.00%
Independent Director	Wenyue Wang	0	0.00%
Independent Director	Alex Lien	0	0.00%
Independent Director	Cf Taxcpa	0	0.00%
<b>Total quantity of shares held by all Directors</b>		74,514,982	86.30%