

Stock Code: 1527



BASSO INDUSTRY CORP.

2022 Annual Shareholders'
Meeting

Meeting Handbook

Time: June 2, 2022 10:00 a.m.

Place: No. 24, 36th Rd., Taichung Industrial Park, Taichung
(conference room at 4F)

Table of Contents

Chapter 1. Meeting Procedure	1
Chapter 2. Meeting Agenda	2
I. Announcements	3
II. Proposals	3
III. Discussions	4
IV. Extempore Motions	4
Chapter 3. Attachments	
I. 2021 Business Report	5
II. 2021 Audit Committee’s Review Report	6
III. Independent Auditors’ Report	7
IV. 2021 Financial Statements	11
V. Earnings Distribution	19
VI. Articles of Incorporation Amendment Comparison Table	20
VII. Assets Acquisition or Disposal Handling Procedure Partial Article Correction Comparison Table	21
Chapter 4. Appendices	
I. Rules of Procedure for Shareholders’ Meetings	34
II. Articles of Association	36
III. Current Shareholdings of Directors	42

BASSO INDUSTRY CORP.

The Procedure for the 2022 Annual Shareholders' Meeting

I. Call Meeting to Order

II. Chairman's Address

III. Announcements

IV. Proposals

V. Discussions

VI. Extempore Motions

VII. Meeting Adjourned

BASSO INDUSTRY CORP. 2022Annual Shareholders' Meeting Agenda

Time: June 2, 2022,10:00 a.m. (Thursday)

Place: No. 24, 36th Rd., Taichung Industrial Park, Taichung (the Company's conference room at 4F)

- I. Call Meeting to Order
- II. Chairman's Address
- III. Announcements
 - (I) 2021 Business Report
 - (II) 2021 Audit Committee's Review Report
 - (III) 2021 Employees, Directors and Supervisors Remuneration Distribution Report
- IV. Proposals
 - (I) Adoption of the 2021 Financial Statements and Business Report
 - (II) Adoption of the Proposal for Distribution of 2021 Profits
- V. Discussions
 - (I) To revise the Articles of Incorporation Amendment Comparison Table
 - (II) To revise the Assets Acquisition or Disposal Handling Procedure Partial Article Correction Comparison Table
- VI. Extempore Motions
- VIII. Meeting Adjourned

Announcements

Proposal 1

Purpose: 2021 Business Report

Explanation: Please refer to #page 5# Attachment 1 of the meeting agenda.

Proposal 2

Purpose: 2021 Audit Committee's Review Report

Explanation: Please refer to #page 6# Attachment 2 of the meeting agenda.

Proposal 3

Purpose: 2021 Employees, Directors and Supervisors Remuneration Distribution Report.

Explanation:

1. According to Article 26 of the Company's Article of Incorporation, the Company shall set aside not less than 0.5% of its annual profits as employee bonus to its employees and no more than 3% as compensation to its Directors.
2. The amount of compensation to Directors and Supervisors is NT\$9,980,000, and the amount of employee bonus is NT\$31,859,000.
3. Directors' and Supervisors' compensation and employee bonus were all paid out by cash.

Proposals

Proposal 1

Proposed by the Board of Directors

Propose: Adoption of the 2021 Financial Statements and Business Report

Explanation:

1. The Company's 2021 Financial Statements and Business Report have been approved by the Company's Board of Directors. The Company's Audit Committee have reviewed and issued review report.
2. Please refer to #page 5, 7 to 13# Attachment 1, 3, and 4 of the meeting handbook.
3. Please acknowledge.

Resolution:

Proposal 2

Proposed by the Board of Directors

Propose: Adoption of the Proposal for Distribution of 2021 Profits

- Explanation:
1. The Company's 2021 earnings distribution has been approved by the Board of Directors and reviewed by the Audit Committee. Please refer to #page 14# Attachment 5 of the meeting agenda.
 2. After the resolution of the shareholders' meeting, it is proposed to authorize the Chairman to set a separate record date for ex-dividends.
 3. Allotment of cash dividends is calculated up to NT Dollar (rounded down to less than NT\$1). The total of decimals is returned to the company's account.
 4. If the dividend payout rate changes due to the purchase of treasury stocks, the transfer or cancellation of treasury stocks, or other factors that affect the total number of outstanding shares, propose to authorize the Chairman to handle the matter at his sole discretion.
 5. Please acknowledge.

Resolution:

Discussions

Proposal 1 Proposed by the Board of Directors

Propose: To revise the Articles of Incorporation Amendment Comparison Table

Explanation: The comparison table for the Articles of Incorporation Amendment before and after revision is attached hereto as Attachment VI , please refer to #page 15.

Resolution:

Proposal 2 Proposed by the Board of Directors

Propose: To revise the Assets Acquisition or Disposal Handling Procedure Partial Article Correction Comparison Table

Explanation: The comparison table for the Handling Procedures of Acquisition or Disposal of Assets before and after revision is attached hereto as Attachment VII, please refer to #page 16 to 21.

Resolution:

Extempore Motions

Meeting Adjourned

BASSO INDUSTRY CORP.

2021 Business Report

Unit: NT\$1,000

Account	Year	2021	2020	Difference	Growth Rate (%)
	Net Sales		4,484,738	3,589,313	895,425
Gross Profit		975,162	908,948	66,214	7.28
Gross Profit Margin		21.74%	25.32%	(3.58%)	(14.14)
Operating Income		599,264	551,381	47,883	8.68
Net Income Before Tax		585,311	521,700	63,611	12.19
Net Income After Tax		467,410	406,950	60,460	14.86

As per the Company's Income Statement for the year 2021, net sales rose by 24.95% to NT\$4,484.7 million; while gross profit rose by 7.28% to NT\$975.2 million over the same period.

Consequently, operating income rose by 8.68% to NT\$599.3 million, net income before tax rose by 12.19% to 585.3 million, and net income after tax rose by 14.86% to NT\$467.4 million.

For Basso, although 2021 was a year of uncertainty due to Covid-19 , we maintained good performance on construction tools 、automotive tools and bicycle components market. Basso are always honest and responsible for our products, and will provide the best services for our customers. To look into the future, we will take the initiative to expand new products and clients and wish a better performance in the coming year.

【Attachment 2】

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of KPMG was retained to audit Basso's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Basso Industry Corp. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

To
BASSO INDUSTRY CORP 2022 Annual Shareholders' Meeting

Basso Industry Corp.

Chairman of the Audit Committee : Chun-Chung Lien

March 15, 2022

【Attachment 3】

Independent Auditors' Report

To the Board of Directors of Basso Industry Corporation:

Opinion

We have audited the financial statements of Basso Industry Corporation (“the Company”), which comprise the balance sheets as of December 31, 2021 and 2020, the statement 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 at 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 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 Attestation 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 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 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

For the accounting policies relating to revenue recognition, please refer to Note 4 (m).

Description of key audit matter:

Part of the sales of the Company is subject to various sales terms of discount, return, warranty (according to the contract) or consignment transactions based on contractual agreements or commercial practices, which may result in an error in revenue recognition. Therefore, the test of revenue recognition is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included testing the effectiveness of design and implementation of the internal control for sales and collection cycle. Assessing whether recognition of revenue has been handled in accordance with the relevant regulations by acquiring and verifying the sales contracts and external purchase orders of major customers. Understanding the sales revenue of the top ten customers by comparing that of last year to assess whether there are any major abnormalities. Random sampling of sales during the period before and after the cut-off date, and checking the relevant documents to assess the accuracy of the timing of revenue recognition to understand whether there is any major sales return after the period.

2. Inventory evaluation

For the accounting policies of inventories, please refer to Note 4 (g); For the accounting estimates and assumptions uncertainty of inventory evaluation, please refer to Note 5; For the description of the inventory evaluation, please refer to Note 6(e).

Description of key audit matter:

The inventory of the Company is measured by the lower of cost and net realizable value. In recent years, the global market has become more volatile, which has led to an increase in the market demand for pneumatic nailing machines. The competition in the global market is fierce, prompting the design and manufacturing technology of pneumatic nailing machines to advance rapidly, resulting in the original products to be outdated or no longer meet market demand such as the needs of European and American brand manufacturers, as well as individual consumers. Sales of related products may fluctuate drastically, so there is a risk that the cost of the inventory may exceed its net realizable value. Therefore, the inventory evaluation is considered as one of our key audit matters.

How the matter was addressed in our audit

The main audit procedures for the above key audit matter include assessing the reasonableness of the inventory evaluation accounting policy. Reviewing the inventory aging report, analyzing the change in aging inventory, and evaluating whether the inventory evaluation has been handled according to accounting policies. Understanding and assessing the reasonableness of the net realizable value basis adopted by the management, selecting samples, and checking the relevant documents to ensure the accuracy of the amounts; as well as assessing whether the management's disclosure of the relevant inventory evaluation is fair and sufficient.

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 with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of 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 supervisors) are responsible for overseeing the Company's financial reporting process.

Auditor's 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 auditor's 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 auditor's 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.

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 Chun-Yuan Wu and Shyh-Huar Kuo.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

【 Attachment 4 】

BASSO INDUSTRY CORP.
Balance Sheets
December 31, 2021 and 2020

Assets	2021.12.31		2020.12.31		Liabilities and Equity	2021.12.31		2020.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
					Unit: NT\$1,000				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents	\$ 1,117,240	22	544,445	11	2100 Short-term borrowings	\$ -	-		
1110 Financial assets at fair value through profit or loss--current	-	-			2150 Notes receivable	7,006	-	6,369	-
1150 Notes receivable, net	29,492	-	9,739	-	2170 Accounts payable	274,948	5	417,221	8
1170 Accounts receivable, net	882,635	17	884,776	18	2200 Other payable	359,459	7	396,059	8
1200 Other receivables	7,126	-	11,854		2210 Contract liabilities	83,878	1	35,963	1
1220 Deferred tax assets			102,133	2	2230 Current income tax liabilities	104,110	2	73,048	1
1310 Inventories--manufacturing	913,635	18	664,240	13	2250 Provisions--current	5,481	-	4,260	-
1476 Other current financial assets	1,118,300	22	1,799,700	35	2320 Current portion of long-term borrowings	-	-		
1479 Other current assets	31,121	1	34,450	1	2399 Other current liabilities	1,159	-	1,368	-
	4,099,549	80	4,051,337	80		836,041	15	934,288	18
Non-current Assets:					Non-current liabilities:				
1520 Financial assets at fair value through comprehensive income--non-current	10	-	10	-	2540 Long-term borrowings	-	-		
1600 Property, plant and equipment	924,117	18	964,414	19	2640 Defined benefit liabilities, net	32,604	1	37,929	1
1780 Intangible assets	16,761	-	16,949	-		32,604	1	37,929	1
1840 Deferred tax assets	55,649	1	36,054	1	Total Liabilities	868,645	16	972,217	19
1980 Other non-current financial assets	-	-			Equity:				

1990 Other non-current assets	35,454	1	20,387		Equity attributable to owners				
	<u>1,031,991</u>	<u>20</u>	<u>1,037,814</u>	<u>20</u>	3100 Capital stock	1,385,706	27	1,385,706	27
					3200 Capital surplus	26,842	1	26,667	1
					3300 Retained earnings	2,850,347	56	2,743,121	54
					3400 Others			(38,560)	(1)
					Total equity	<u>4,262,895</u>	<u>84</u>	<u>4,116,934</u>	<u>81</u>
Total assets	<u>\$ 5,131,540</u>	<u>100</u>	<u>5,089,151</u>	<u>100</u>	Total liabilities and equity	<u>\$ 5,131,540</u>	<u>100</u>	<u>5,089,151</u>	<u>100</u>

Chairman:

President:

Accounting Manager:

Prepared by:

BASSO INDUSTRY CORP.
Statements of Comprehensive Income
For the years ended December 31, 2021 and 2020

Unit: NT\$1,000

	2021		2020	
	Amount	%	Amount	%
4000 Operating revenues				
4110 Sales revenue	\$4,516,405	101	\$3,621,689	101
4170 Sales returns	3,728	-	1,057	-
4190 Sales allowances	27,939	1	31,319	1
Net operating revenues	4,484,738	100	3,589,313	100
5000 Operating costs	3,509,576	78	2,680,365	75
Gross profit from operations	975,162	22	908,948	25
Operating expenses				
6100 Selling expenses	113,080	3	104,546	3
6200 Administrative expenses	83,981	2	87,915	2
6300 Research and development expenses.	180,015	4	174,562	5
6450 Impairment gain	(1,178)		(9,456)	0
	375,898	9	357,567	10
Net operating income	599,264	13	551,381	15
Non-operating income and expenses				
7010 Other income	7,006		16,690	
7020 Other gains and losses	(20,959)		(46,371)	(1)
7050 Finance costs				
	(13,953)		(29,681)	(1)
7900 Net income before tax	585,311	13	521,700	14
7950 Less: income tax expense	117,901	3	114,750	3
Net income	467,410	10	406,950	11
8300 Other comprehensive income:				
8310 Items that may not be reclassified subsequently to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plan	1,775	-	(4,950)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	2,242	-	-	-
	4,017	-	(4,950)	-
8300 Other comprehensive income (after tax)	4,017	-	(4,950)	-
Comprehensive income	471,427	10	402,000	11
Earnings per share (NT\$)				

9710	Basic Earnings Per Share (NT\$)	<u>\$</u>	<u>3.37</u>	<u>2.94</u>
9810	Diluted Earnings Per Share (NT\$)	<u>\$</u>	<u>3.35</u>	<u>2.92</u>

Chairman:

President:

Accounting Manager:

Prepared by:

BASSO INDUSTRY CORP.
Statements of Changes in Equity
For the years ended December 31, 2021 and 2020

Unit: NT\$1,000

	Capital stock--common stock	Capital surplus	Retained earnings				Other equity items		Total equity
			Legal reserve	Special reserve	Unappropriated earnings	Total	Unrealized gain (losses) from financial assets measured at fair value through other comprehensive income		
Balance, January 1, 2020	\$1,385,706	26,396	802,915	38,560	1,665,930	2,507,405	(38,560)	3,880,947	
Net income					406,950	406,950		406,950	
Other comprehensive income	-	-	-	-	(4,950)	(4,950)	-	(4,950)	
Comprehensive income	-	-	-	-	402,000	402,000	-	402,000	
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	57,355	-	(57,355)	-	-	-	
Special reserve	-	-	-	-	-	-	-	-	
Cash dividends	-	-	-	-	(166,284)	(166,284)	-	(166,284)	
Other changes in capital surplus		271	-	-	-	-	-	271	
Balance, December 31, 2020	\$1,385,706	26,667	860,270	38,560	1,844,291	2,743,121	(38,560)	4,116,934	
Balance, January 1, 2021	1,385,706	26,667	860,270	38,560	1,844,291	2,743,121	(38,560)	4,116,934	
Net income	-	-	-	-	467,410	467,410	-	467,410	
Other comprehensive income	-	-	-	-	1,775	1,775	2,242-	4,017	
Comprehensive income	-	-	-	-	469,185	469,185	2,242-	471,427	
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	40,200		(40,200)	-			

							-
Cash dividends	-	-	-	-	(325,641)	(325,641)	(325,641)
Other changes in capital surplus		175					175
		175	40,200		(365,841)	(325,641)	(325,466)
Disposition of equity instrument measured at fair value through other comprehensive income					(36,318)	(36,318)	36,318
Balance, December 31, 2021	1,385,706	26,842	900,470	38,560	1,911,317	2,850,347	4,262,895

Chairman:

President:

Accounting Manager:

Prepared by:

BASSO INDUSTRY CORP.**Statements of Cash Flows..****For the years ended December 31, 2021 and 2020**

Unit: NT\$1,000

	2021	2020
Cash flows from operating activities:		
Income before income tax	585,311	521,700
Adjustments for:		
Adjustments to reconcile profit (loss)		
Depreciation expense	132,116	122,430
Amortization expense	9,544	11,419
Impairment gain	(1,178)	(9,456)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss		
Interest expense		
Interest revenue	(7,006)	(16,690)
Loss (gain) on disposal of property, plant and equipment	(1,871)	(1,139)
Total adjustments to reconcile profit	131,605	106,564
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(19,753)	2,711
Decrease (increase) in accounts receivable	3,319	(298,416)
Decrease (increase) in other receivables	3,845	(2,073)
Increase in inventories	(268,478)	(126,345)
Increase in other current assets	3,329	(5,439)
Changes in operating assets	(277,738)	(429,562)
Increase (decrease) in contract liability	47,915	(35,077)
Decrease in notes payable	637	365
Increase (decrease) in accounts payable	(142,273)	178,424
Increase (decrease) in other payables	(25,086)	15,507
Decrease in provisions	1,221	(760)
Increase (decrease) in other current liabilities	(209)	(156)
Decrease in net defined benefit liability	(3,550)	(3,216)
Changes in operating liabilities	(121,345)	155,087
Total changes in operating assets and liabilities	(399,083)	(274,475)
Total adjustments	(267,478)	(167,911)

(Continued)

(Continued)

	2021	2020
Cash inflow generated from operations	317,833	353,789
Interest received	7,889	15,720
Interest paid		
Income taxes paid	(4,301)	(1,427)
Net cash flows from operating activities	321,421	368,082
Cash flow from (used in) investing activities:		
Equity instrument measured at fair value through other comprehensive income	2,242	
Acquisition of property, plant and equipment	(37,484)	(12,960)
Proceeds from disposal of Property, Plant and Equipment	1,871	1,720
Acquisition of intangible assets	(9,356)	(11,537)
Decrease (increase) in other financial assets	681,400	(99,700)
Decrease (increase) in other non-current assets	37	282
Increase in prepaid equipment	(61,870)	(77,917)
Net cash flows from (used in) investing activities	576,840	(200,112)
Cash flows from (used in) financing activities:		
Increase in short-term loans		
Repayments of short-term borrowings		
Increase in long-term borrowings		
Repayments of long-term borrowings		
Unclaimed dividends transfer to capital surplus	175	271
Cash dividends paid	(325,641)	(166,284)
Capitalisation of employees' compensation		
Net cash used in financing activities	(325,466)	(166,013)
Net increase (decrease) of cash and cash equivalents	572,795	1,957
Cash and cash equivalent, beginning of year	544,445	542,488
Cash and cash equivalents, end of year	1,117,240	544,445

Chairman:

President:

Accounting Manager:

Prepared by:

【 Attachment 5 】

BASSO INDUSTRY CORP.
Distribution of Earnings
2021

Item	Amount
Balance at the beginning of the period (December 31, 2020)	1,478,449,044
Add: adjustment for defined benefit	1,775,295
Less : Disposition of equity instrument measured at fair value through other comprehensive income (Gatetech)	(36,318,315)
Add: net profit after tax from January to December 2021	467,410,327
Less: 10% legal surplus reserve	(43,286,731)
Add : Special reserve in reverse	38,560,000
<hr/> Retained earnings available for distribution for this period	<hr/> 1,906,589,620
Distributable items in the current period	
1. Shareholder dividend (NT\$2.40 / share) (Cash distribution of NT\$2.40)	332,569,536
Undistributed earnings at the end of the period	1,574,020,084

Chairman

President

Prepared by

【Attachment 6】

BASSO Industry Corporation
Articles of Incorporation Amendment Comparison Table

<u>After Amendment</u>	Current Article	Explanation
<p>Article 16 There shall be 7~<u>13</u> directors, and the number of independent directors shall not be less than 3 and shall not be less than 1/5 of the total number of directors. A candidates nomination system shall be adopted to elect the directors whereby persons with the capacity to act shall be elected during shareholders’ meetings. The term of office shall be 3 years, and directors may be eligible for re-election. The shareholding ratio for all directors shall not fall below the percentage stipulated in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.”</p>	<p>Article 16 The Company shall establish 7~11 directors, and the number of independent directors shall not be less than 3 and shall not be less than 1/5 of the total number of directors. A candidates nomination system shall be adopted to elect the directors whereby persons with the capacity to act shall be elected during shareholders’ meetings. The term of office shall be 3 years, and directors may be eligible for re-election. The shareholding ratio for all directors shall not fall below the percentage stipulated in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.”</p>	<p>Amended according to the FSC’s corporate governance blueprint and the Company’s operational needs.</p>
<p>Article 32</p>	<p><u>The 35rd amendment was made on June 2, 2022</u></p>	<p>Include the latest amendment date</p>

【Attachment 7】

BASSO Industry Corporation
Assets Acquisition or Disposal Handling Procedure Partial Article Correction
Comparison Table

<u>After Amendment</u>	Current Article	Explanation
<p>Article 4</p> <p>The professional agency and its appraisers, CPAs, attorneys, or securities underwriters whereby the CPA, attorney, or securities underwriter valuation reports or opinions were obtained must meet the following requirements:</p> <p>I. Never been convicted for violation of this law, the Company Act, Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act, Business Entity Accounting Act or crimes such as fraud, breach of trust, encroachment, falsification of documents, or business crimes and received a final judgment sentence of imprisonment for one year or longer. However, this restriction shall not apply if the sentence has been served and the probation period has expired or a pardon has been issued for three years.</p> <p>II. Cannot be affiliates to the parties in the transaction or de facto relationship status.</p> <p>III. If the Company must obtain the appraisal reports from two or more professional appraisers, different professional appraisers or their staffs may not be related</p>	<p>Article 4</p> <p>The professional agency and its appraisers, CPAs, attorneys, or securities underwriters whereby the CPA, attorney, or securities underwriter valuation reports or opinions were obtained must meet the following requirements:</p> <p>I. Never been convicted for violation of this law, the Company Act, Banking Act of The Republic of China, Insurance Act, Financial Holding Company Act, Business Entity Accounting Act or crimes such as fraud, breach of trust, encroachment, falsification of documents, or business crimes and received a final judgment sentence of imprisonment for one year or longer. However, this restriction shall not apply if the sentence has been served and the probation period has expired or a pardon has been issued for three years.</p> <p>II. Cannot be affiliates to the parties in the transaction or de facto relationship status.</p> <p>III. If the Company must obtain the appraisal reports from two or more professional appraisers, different professional appraisers or their staffs may not be related</p>	<p>Subject to Text Amendment</p>

<p>to each other or have a de facto relationship.</p> <p>When issuing valuation reports or opinions, the preceding appraisers shall comply with <u>the self-discipline regulations of their respective trade associations</u> and abide by the following matters:</p> <p>I. Carefully assess the professional ability, practical experience, and independence before undertaking the case.</p> <p>II, Appropriate operating procedures shall be properly planned and implemented during case <u>implementation</u> to form a conclusion and issue a report or opinion letter accordingly. The procedures, data collected, and conclusion shall be documented in the case's paperwork.</p> <p>III. The <u>appropriateness</u> and rationality of the data sources, parameters, and information used shall be evaluated item by item to serve as the foundation for issuing the valuation report or opinion letter.</p> <p>IV. The declaration items shall include the professionalism and independence of the relevant personnel, and specify that the information used has been assessed to be <u>appropriate</u>, reasonable, and in compliance with the relevant laws and regulations.</p>	<p>to each other or have a de facto relationship.</p> <p>The appraisal report or opinion issued by the preceding personnel shall be handled according to the following matters:</p> <p>I. Carefully assess the professional ability, practical experience, and independence before undertaking the case.</p> <p>II. Appropriate operating procedures shall be properly planned and implemented during case inspection to form a conclusion and issue a report or opinion letter accordingly. The procedures, data collected, and conclusion shall be documented in the case's paperwork.</p> <p>III. In terms of information sources, parameters, data, etc.; the completeness, correctness, and reasonableness of each item must be assessed item by item as the basis for the issuance of a valuation report or opinion.</p> <p>IV. Declaration items shall include the professionalism and independence of the relevant personnel required to evaluate the reasonableness and correctness of the information used as well as compliance with relevant laws and regulations.</p>	
--	--	--

<p>Article 7</p> <p>Acquisition or Disposal of Securities</p> <p>I. Assessment and operating procedures: The Company shall acquire or dispose of securities according to the Company’s relevant internal regulations.</p> <p>II. Transaction Conditions and Authorization Limit</p> <p>Determination Procedures:</p> <p>(I) The most recent financial statements of the target company that have been audited, certified, or reviewed by a CPA shall be used as a reference to evaluate the transaction price for securities traded on the centralized exchange market or the business office of a securities firm. The responsible unit shall make a decision according to market conditions.</p> <p>(II) The most recent financial statements of the target company that have been audited, certified, or reviewed by a CPA shall be used as a reference to evaluate the transaction price for securities not traded on the centralized exchange market or the business office of a securities firm; and the net worth per share, profitability, and future development potential must be considered.</p> <p>(III) The acquisition or disposal of securities must be approved by the board of directors.</p> <p>III. When the Company acquires</p>	<p>Article 7</p> <p>Acquisition or Disposal of Securities</p> <p>I. Assessment and operating procedures: The Company shall acquire or dispose of securities according to the Company’s relevant internal regulations.</p> <p>II. Transaction Conditions and Authorization Limit</p> <p>Determination Procedures:</p> <p>(I) The most recent financial statements of the target company that have been audited, certified, or reviewed by a CPA shall be used as a reference to evaluate the transaction price for securities 7 traded on the centralized exchange market or the business office of a securities firm. The responsible unit shall make a decision according to market conditions.</p> <p>(II) The most recent financial statements of the target company that have been audited, certified, or reviewed by a CPA shall be used as a reference to evaluate the transaction price for securities not traded on the centralized exchange market or the business office of a securities firm; and the net worth per share, profitability, and future development potential must be considered.</p> <p>(III) The acquisition or disposal of securities must be approved by the board of directors.</p> <p>III. When the Company acquires</p>	<p>Subject to Text Amendment</p>
--	--	----------------------------------

<p>or disposes of securities, it shall obtain the most recent financial statements of the subject company that has been audited, certified, or reviewed by a CPA before the date of the fact as reference for transaction price evaluation. Moreover, if the transaction amount exceeds 20% of the Company's paid-in capital or NT\$300 million or higher, a CPA shall be consulted to express an opinion on the reasonableness of the transaction price before the date of the fact. If there is an active market for the securities with an open quotation, or the Financial Supervisory Commission (FSC) specified otherwise, this requirement can be waived.</p> <p>IV. Implementation unit: Finance Department and Other Related Units.</p>	<p>or disposes of securities, it shall obtain the most recent financial statements of the subject company that have been audited, certified, or reviewed by a CPA before the date of the fact as reference for transaction price evaluation. Moreover, if the transaction amount exceeds 20% of the Company's paid-in capital or NT\$300 million or higher, a CPA shall be consulted to express an opinion on the reasonableness of the transaction price before the date of the fact. If a CPA must use an expert report, the matter shall be handled according to the Auditing Standards Bulletin No. 20 promulgated by the Accounting Research and Development Foundation. If there is an active market for the securities with an open quotation, or the Financial Supervisory Commission (FSC) specified otherwise, this requirement can be waived.</p> <p>IV. Implementation unit: Finance Department and Other Related Units.</p>	
<p>Article 8. <u>Except for transactions with domestic government agencies, a CPA's opinion on the reasonableness of the transaction price must be obtained before the date of the fact when the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership</u></p>	<p>Article 8. Acquisition or Disposal of Intangible Assets, Right-of-use Assets Thereof, or Membership Card I. Assessment and operational procedures: When the Company acquires or disposes of intangible assets or right-of-use assets thereof, an evaluation report</p>	<p>Subject to Text Amendment</p>

<p><u>card transactions amounting to 20% of the Company's paid-in capital or NT\$300 million or higher.</u></p>	<p>must be submitted and processed during application according to the procedures below.</p> <p>II. Transaction Conditions and Authorization Limit</p> <p>Determination Procedures:</p> <p>(I) The expert assessment reports, fair market values, trading condition resolutions, and transaction prices must be referenced during the acquisition or disposal of intangible assets or right-of-use assets. An analysis report must be prepared and submitted to the general manager and chairman of the board. If the amount is less than NT\$10 million, the chairman shall be authorized to approve the case. If the amount is NT\$10 million or higher, the case must be approved by the board of directors.</p> <p>(II) The fair market values, trading condition resolutions, and transaction prices must be referenced during the acquisition or disposal of membership cards; and an analysis report must be prepared and submitted to the general manager and chairman of the board. If the amount is less than NT\$3 million, the chairman shall be authorized to approve the case. If the amount is NT\$3 million or higher, the case must be approved by the board of directors.</p> <p>III. Except for transactions with domestic government agencies, a</p>	
---	--	--

	<p>CPA’s opinion on the reasonableness of the transaction price must be obtained before the date of the fact when the Company acquires or disposes of intangible assets or right-of-use assets thereof or membership card transactions amounting to 20% of the Company’s paid-in capital or NT\$300 million or higher. The CPA shall handle the matter according to Auditing Standards Bulletin No. 20 promulgated by the Accounting Research and Development Foundation.</p> <p>IV. Implementation unit: Utilization Departments and Other Related Units.</p>	
<p>Article 12. Except for transactions involving domestic government bond trading, bond trading with buy-back or sell-back conditions, subscribing or buying back money market funds issued by domestic securities investment trust enterprises; if the Company acquires or disposes of real estate or right-of-use assets thereof or other assets besides real estate or right-of-use assets thereof from a related party and the transaction amount reaches 20% of the Company’s paid-in capital, 10% of the Company’s total assets, or NT\$300 million or higher; the following items must be submitting to the board of directors for recognition before</p>	<p>Article 12. Except for transactions involving domestic government bond trading, bond trading with buy-back or sell-back conditions, subscribing or buying back money market funds issued by domestic securities investment trust enterprises; if the Company acquires real estate (regardless of amount) or right-of-use assets thereof (regardless of amount) or other assets besides real estate or right-of-use assets thereof from a related party and the transaction amount reaches 20% of the Company’s paid-in capital, 10% of the Company’s total assets, or NT\$300 million or higher; the following items must be submitting to the board of</p>	<p>Subject to Text Amendment</p>

<p>the transaction contract can be signed and the payment can be made.</p> <p>I. The purpose, necessity, and expected benefits of asset acquisition or disposal.</p> <p>II. The reason for selecting the related party as the counterparty.</p> <p>III. Obtain real estate or right-of-use assets from a related party, and evaluate the reasonableness of the predetermined transaction conditions according to Articles 13 and 14.</p> <p>IV. The original acquisition date and price of the related party, the counterparty and its relationship with the Company or the related party, etc.</p> <p>V. Estimate cash receipts and expenditures for each month of the next year starting from the contract month, and evaluate the transaction necessity and fund utilization rationality.</p> <p>VI. Obtain the appraisal report issued by the professional appraiser or the CPA's opinion according to the preceding article.</p> <p>VII. Restrictions and other important agreements for this transaction.</p> <p><u>When this Company, its parent company, its subsidiaries, or subsidiaries whereby 100% of the issued shares or total capital is directly or indirectly held engage in the following</u></p>	<p>directors and then the supervisors for recognition before the transaction contract can be signed and the payment can be made.</p> <p>I. The purpose, necessity, and expected benefits of asset acquisition or disposal.</p> <p>II. The reason for selecting the related party as the counterparty.</p> <p>III. Obtain real estate or right-of-use assets from a related party, and evaluate the reasonableness of the predetermined transaction conditions according to Articles 13 and 14.</p> <p>IV. The original acquisition date and price of the related party, the counterparty and its relationship with the Company or the related party, etc.</p> <p>V. Estimate cash receipts and expenditures for each month of the next year starting from the contract month, and evaluate the transaction necessity and fund utilization rationality.</p> <p>VI. Obtain the appraisal report issued by the professional appraiser or the CPA's opinion according to the preceding article.</p> <p>VII. Restrictions and other important agreements for this transaction.</p> <p>The transaction amounts from the preceding paragraph shall be calculated according to Paragraph II of Article 26. In</p>	
--	---	--

<p><u>transactions with each other; the board of directors may authorize the chairman of the board to make a decision within a certain amount according to Subparagraph III, Paragraph I, Article 7 and then submit it to the latest board of directors for ratification:</u></p> <p>I. Acquiring or disposing of equipment or right-of-use assets thereof for commercial use.</p> <p>II. Acquiring or disposing of real estate or right-of-use assets thereof for commercial use.</p> <p><u>The Company shall fully consider the opinions of all independent directors when a proposal is submitted to the board of directors for discussion according to Paragraph I, and record all reasons of disapproval or reservation in the board of directors meeting minutes. Obtain approval by at least one-half of all audit committee members and submit to the board of directors for resolution according to Paragraph I. The use of provisions provided by Paragraphs IV-V of Article 6 is permitted.</u></p> <p><u>If the Company or its non-domestic public offering subsidiaries engage in a transaction that exceeds 10% of a public company's total assets, the Company shall submit the documents listed in Paragraph 1 to the shareholders' meeting for</u></p>	<p>addition, the transactions within one year are based on the actual transaction date, calculated retrospectively for one year.</p> <p>Those submitted to the board of directors and supervisors for recognition according to the provisions of this Handling Procedure need not be added.</p> <p>When this Company, its subsidiaries, or subsidiaries whereby 100% of the issued shares or total capital is directly or indirectly held engage in the following transactions with each other; the board of directors may authorize the chairman of the board to make a decision within NT\$200 million, and then submit it to the latest board of directors for ratification:</p> <p>I. Acquiring or disposing of equipment or right-of-use assets thereof for commercial use. (and the transaction amount reaches a significant standard)</p> <p>II. Acquiring or disposing of real estate or right-of-use assets thereof for commercial use. (regardless of the amount)</p>	
---	---	--

<p><u>approval before signing the transaction contract and making payment. This provision shall not apply if the transaction is between the Company and its parent company, subsidiary, or between the subsidiaries. The transaction amounts from Paragraph I and the preceding paragraph shall be calculated according to Paragraph II of Article 31. In addition, the transactions within one year are based on the actual transaction date, calculated retrospectively for one year. Those submitted to the shareholders' meeting and the board of directors for approval according to the provisions of this regulation need not be added.</u></p>		
<p>Article 26. When the Company acquires or disposes of assets under the following circumstances, the undertaking unit shall immediately inform the finance department according to the nature and the prescribed format and report the relevant information on the website designated by the competent authority within two days from the day of the fact: I. Acquisition of real estate or right-of-use assets thereof or other assets besides real estate or right-of-use assets thereof from a related party and the transaction amount reaches 20% of the Company's paid-in capital, 10%</p>	<p>Article 26. When the Company acquires or disposes of assets under the following circumstances, the undertaking unit shall immediately inform the finance department according to the nature and the prescribed format and report the relevant information on the website designated by the competent authority within two days from the day of the fact: I. Acquisition of disposal of real estate or right-of-use assets thereof (regardless of the amount) or other assets besides real estate or right-of-use assets thereof from a related party and the transaction amount reaches</p>	<p>Subject to Text Amendment</p>

<p>of the Company's total assets, or NT\$300 million or higher. However, this provision shall not apply for domestic bond trades with buy-back or sell-back conditions, or subscribing or buying back money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Engaging in mergers, spinoffs, acquisitions, or transfer of shares.</p> <p>III. The loss suffered from engaging in derivative commodity transactions has reached the maximum cap for all or individual contract losses stipulated in the prescribed handling procedures.</p> <p>IV. Acquiring or disposing of equipment for commercial use or right-to-use assets thereof, the counterparty is not a related party, and the transaction amount exceeds NT\$500 million:</p> <p>V. Real estate acquisition via engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale whereby the transaction counterpart is not an affiliated party; and the amount the company expects to invest does not exceed NT\$500 million.</p> <p>VI. Asset transactions other than the preceding 5 subsections, the</p>	<p>20% of the Company's paid-in capital, 10% of the Company's total assets, or NT\$300 million or higher. However, this provision shall not apply for domestic bond trades with buy-back or sell-back conditions, or subscribing or buying back money market funds issued by domestic securities investment trust enterprises.</p> <p>II. Engaging in mergers, spinoffs, acquisitions, or transfer of shares.</p> <p>III. The loss suffered from engaging in derivative commodity transactions has reached the maximum cap for all or individual contract losses stipulated in the prescribed handling procedures.</p> <p>IV. Acquiring or disposing of equipment for commercial use or right-to-use assets thereof, the counterparty is not a related party, and the transaction amount exceeds NT\$500 million:</p> <p>V. Real estate acquisition via engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale whereby the transaction counterpart is not an affiliated party; and the amount the company expects to invest does not exceed NT\$500 million.</p> <p>VI. Asset transactions other than</p>	
--	---	--

<p>disposal of debt by financial institutions, or investments in mainland China whereby the transaction amount is equivalent to 20% of the Company's paid-in capital or NT\$300 million or higher. Except under the following situations:</p> <p>(I) <u>Trading domestic bonds or foreign government bonds with a credit rating not lower than our nation's sovereign credit rating.</u></p> <p>(II) Securities trading on stock exchanges or business premises of securities firms; subscribe to <u>foreign public bonds</u>, general corporate bonds, or financial bonds not involving equity (excluding subordinated bonds) in the primary market; subscribe or buy back securities investment trust funds or futures trust funds; <u>subscribe or sell back index investment securities</u>; or subscribe securities according to the regulations of the Taipei Exchange based on a recommendation by a securities firm acting as an ESM company counselor due to underwriting business needs by professional investors.</p> <p>(III) Transactions with callable and puttable bonds or purchase or buyback of domestic currency market funds issued by the domestic securities investment trust businesses.</p> <p>The transaction amounts mentioned above shall be</p>	<p>the preceding 5 subsections, the disposal of debt by financial institutions, or investments in mainland China whereby the transaction amount is equivalent to 20% of the Company's paid-in capital or NT\$300 million or higher. Except under the following situations:</p> <p>(I) Domestic government bond trading.</p> <p>(II) Securities trading on stock exchanges or business premises of securities firms, general corporate bonds and financial bonds not involving equity (excluding subordinated bonds) subscribed and issued in the primary market, or subscribed or repurchased securities investment trust funds or futures trust funds made by professional investors; or the securities subscribed according to the regulations of the Taipei Exchange based on a recommendation by a securities firm acting as an ESM company counselor due to underwriting business needs.</p> <p>(III) Transactions with callable and puttable bonds or purchase or buyback of domestic currency market funds issued by the domestic securities investment trust businesses.</p> <p>The transaction amounts mentioned above shall be calculated using the following methods:</p> <p>I. Amount of each transaction.</p>	
---	--	--

<p>calculated using the following methods:</p> <p>I. Amount of each transaction.</p> <p>II. Cumulative transaction amount with the same counterparty over the same class of object within a year.</p> <p>III. The cumulative amount of acquisition or disposal (acquisition and disposal accumulate separately) for the same real estate development project or right-of-use assets thereof within one year.</p> <p>IV. The cumulative amount of acquisition or disposal (acquisition and disposal accumulate separately) for the same securities within one year.</p> <p><u>The one-year period referred to in the preceding Paragraph is based on the actual transaction date calculated retrospectively for one year. Those that have been announced according to the provisions of this Guideline need not be added.</u></p> <p>Each month, the Finance Department shall upload information according to the prescribed format regarding derivatives trading engaged as of the end of the previous month by the Company and its subsidiaries that are not domestic public offering companies before the 10th day of each month to the information reporting website designated by the competent authority.</p>	<p>II. Cumulative transaction amount with the same counterparty over the same class of object within a year.</p> <p>III. The cumulative amount of acquisition or disposal (acquisition and disposal accumulate separately) for the same real estate development project or right-of-use assets thereof within one year.</p> <p>IV. The cumulative amount of acquisition or disposal (acquisition and disposal accumulate separately) for the same securities within one year.</p> <p>Each month, the Finance Department shall upload information according to the prescribed format regarding derivatives trading engaged as of the end of the previous month by the Company and its subsidiaries that are not domestic public offering companies before the 10th day of each month to the information reporting website designated by the competent authority.</p> <p>For items that must be announced according to regulations, if there are errors or omissions in the announcement and must be corrected, all items must be re-announced within 2 days after the errors or omissions were discovered.</p> <p>During asset acquisition or disposal, the Finance Department shall retain the relevant contracts,</p>	
--	--	--

<p>For items that must be announced according to regulations, if there are errors or omissions in the announcement and must be corrected, all items must be re-announced within 2 days after the errors or omissions were discovered.</p> <p>During asset acquisition or disposal, the Finance Department shall retain the relevant contracts, minutes, reference books, valuation reports, and opinions of CPA, lawyers, or securities underwriters in the Company for at least 5 years unless otherwise stipulated by other laws.</p>	<p>minutes, reference books, valuation reports, and opinions of CPA, lawyers, or securities underwriters in the Company for at least 5 years unless otherwise stipulated by other laws.</p>	
---	---	--

【Appendix 1】

BASSO INDUSTRY CORP.

Rules of Procedure for Shareholders' Meetings

- Article 1. Shareholders' Meetings of the Company (the "Meeting") shall be conducted in accordance with the Rules unless otherwise stipulated by relevant laws and regulations. The Rules were established according to Letter No.04109 issued by SFC, Ministry of Finance on August 4, 1997.
- Article 2. The Chairman of the Board shall be the chairperson presiding at the Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board cannot preside at the Meeting, the Chairman may appoint a Director to act on his behalf. If no one is appointed, the Directors shall select from among themselves one person to perform the Chairman's duties. If the Meeting is convened by someone other than the Board of Directors, the convener will act as the meeting chairperson. If there are two or more conveners, they shall appoint one amongst themselves to chair the meeting.
- Article 3. Shareholders (or their representatives) attending the Meeting shall sign on attendance record or submit the attendance card for the purpose of signing in.
- Article 4. The Company may summon its lawyers, certified public accountants, or any relevant personnel to attend the Meeting. Staff handling administrative affairs of the Meeting shall wear identification cards or arm bands.
- Article 5. Chairperson shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairperson may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than 1 hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one third of the total outstanding shares, tentative resolutions may be made in accordance with Article 175 of the Company Act. If the number of shares represented during the meeting reaches a total of over half of all outstanding shares, the chairperson may re-propose the temporary resolutions for final voting according to Article 174 of the Company Act.
- Article 6. The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting. Unless otherwise resolved at the Meeting, the chairperson cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved. However, in the event that the chairperson adjourns the Meeting in violation of these Rules of Procedures, the shareholders may designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairperson to continue the Meeting.

- Article 7. The shareholders cannot designate any other person as chairperson and continue the Meeting in the same or other place after the Meeting is adjourned.
- Article 8. During the Meeting, the chairperson may, at his discretion, set time for intermission.
- Article 9. When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out. The sequence of speeches by shareholders should be decided by the chairperson. If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail. Unless otherwise permitted by the chairperson and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairperson shall stop such interruption.
- Article 10. Each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes), unless permitted and extended by the chairperson. In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairperson may stop the speech of such shareholder.
- Article 11. Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting. If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.
- Article 12. After the speech of a shareholder, the chairperson may respond by himself/herself or appoint an appropriate person to respond. The chairperson may announce to end the discussion of any resolution and go into voting if the chairperson deems it appropriate.
- Article 13. The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairperson. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.
- Article 14. The chairperson may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place.
- Article 15. Except otherwise specified in the Company Act or the Company's Articles of Association, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairperson. If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.
- Article 16. The process of the Meeting shall be tape-recorded or videotaped and these tapes shall be preserved for at least 1 year.
- Article 17. Any matter not provided in the Rules shall be handled in accordance with the Company Act and relevant regulations. The Rules shall be effective from the date approved by the Shareholders' Meeting. The same applies in case of revision.

【Appendix 2】

BASSO INDUSTRY CORP. Articles of Association

Chapter 1. General Provisions

Article 1. The Company shall be incorporated, as a company limited by shares, under the Company Act, and its name shall be 鑽全實業股份有限公司 in the Chinese language, and BASSO INDUSTRY CORP. in the English language.

Article 2. The scope of business of the Company shall be as follows:

1. The manufacturing, processing, assembly, and sales of electric-powered nailers, pneumatic nailers, and other pneumatic or electronic machines.
2. The manufacturing, processing, assembly, and sales of pneumatic tools, electric-powered hand tools and machines.
3. The processing, assembly, and sales of building materials.
4. The processing, assembly, and sales of parts and hardware parts of afore-mentioned products.
5. The import and export of parts and hardware parts of afore-mentioned products.
6. The quotation, tender offer, and sells services (except futures) on behalf of domestic and overseas suppliers.
7. CA02020 Aluminum and Copper Products Manufacturing
8. CA01010 Mold Manufacturing
9. CB01010 Machinery and Equipment Manufacturing
10. CB01020 Office Machines Manufacturing
11. CC01030 Electric Appliances Manufacturing
12. CC01050 Data Storage Media Units Manufacturing
13. CD01030 Automobiles and Parts Manufacturing
14. CD01040 Motor Vehicles and Parts Manufacturing
15. CD01050 Bicycles and Parts Manufacturing
16. CE01010 Precision Instruments Manufacturing
17. CE01030 Photographic and Optical Equipment Manufacturing
18. CP01010 Hand Tool Manufacturing
19. CH01010 Sporting and Athletic Articles Manufacturing
20. CH01040 Toys Manufacturing
21. C805030 Plastic Made Grocery Manufacturing
22. C805050 Industrial Plastic Products Manufacturing
23. CA01100 Aluminum Rolling, Drawing and Extruding
24. CA01990 Other Non-ferrous Metal Basic Industries (producing magnesium or aluminum alloy through rolling, wire drawing, forging, or extrusion)
25. CA03010 Metal Heat Treating
26. CA04010 Metal Surface Treating
27. ZZ99999 All business items that are not prohibited or restricted by law, except

those that are subject to special approval.

Article 3. The Company shall have its head office in Taichung City. When necessary and upon approval of Board of Directors, the Company may set up branch companies within and without the territory of the Republic of China.

Article 4. Public announcements of the Company shall be made in accordance with the Company Act and other relevant rules and regulations from competent authorities.

Chapter 2. Shares

Article 5. The total capital stock of the Company shall be in the amount of NT\$1,862,196,000, divided into 186,219,600 shares at NT\$10 each, and the Board of Directors is authorized to issue in installments.

Article 6. The share certificates of the Company shall all be name-bearing share certificates, with the signature or authorized seal of three or more Directors before issuing stock, subject to validation according to relevant laws. The Company is exempt from printing certificates for its issued shares. Shares should be registered with the governing centralized securities depository organization. Same to other securities.

Article 7. The transfer, registration, loss report, damage, split, merger, or pledge of the Company's stock shall all be handled according to the Company Act and related regulations.

Article 8. Registration for transfer of shares shall be suspended 60 days immediately before the date of regular Shareholders' Meetings, and 30 days immediately before the date of any special Shareholders' Meetings, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 9. Shareholders' Meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened, by the Board of Directors, within 6 months after the close of each fiscal year. Special meetings may be convened whenever necessary.

Article 10. Notices shall be sent to all shareholders according to law for the convening of Shareholders' Meetings, at least 30 days in advance, in case of regular meetings; and at least 15 days in advance, in case of special meetings.

Article 11. When a shareholder is unable to attend the Shareholders' Meeting, a proxy may be appointed. The use of proxy shall be conducted according to the law or competent authorities.

Article 12. The Chairman of the Board shall be the chairman presiding at the Shareholders' Meeting in the case that the Meeting is convened by the Board of Directors. If, for any reason, the Chairman of the Board cannot preside at the Meeting, the Chairman may appoint a Director to act on his behalf. If no one is appointed, the Directors shall select from among themselves one person to perform the Chairman's duties. If the Shareholders' Meeting is convened by someone other than the Board of Directors, the convener will act as the meeting chairperson. If there are two or more conveners, they shall appoint one amongst themselves to chair the meeting.

Article 13. Aside from shares with no voting rights stipulated according to the Company Act, each share of stock shall be entitled to one vote.

Article 14. At the time of the Shareholders' Meeting, apart from when otherwise regulated by the Company Act, when over half of issued shares are represented, a motion may be

passed with over half of the present shareholders' votes.

The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after solicitation by the chairperson.

- Article 15. The resolutions of the Shareholders' Meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairperson of the meeting. Meeting minutes shall be distributed to all shareholders within 20 days of the Shareholders' Meeting. The preparation and distribution of meeting minutes may be conducted electronically. The distribution of meeting minutes after the public issuance of the Company's shares may be conducted through public announcement.

Chapter 3. Directors and Supervisors

- Article 16. The Company shall have seven to eleven Directors, among which shall have at least three Independent Directors, and Independent Directors shall not be less than one fifth of the Directors. Directors shall be elected by adopting candidate nomination system. Persons with capacity can be elected at the Shareholders' Meeting for a 3-year term, with consecutive re-election. The total share ownership ratio of all Directors shall not be less than which was prescribed in the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

- Article 16-1 The Company establish Audit Committee, which is composed of all the independent directors in accordance to Article 14-4 of the Securities and Exchange Act. The exercise of power and related matters by audit committee and independent directors shall comply with the Company Act, the Securities and Exchange Act, and relevant laws and regulations prescribed by the competent authority.

- Article 17. The Directors shall form the Board of Directors and elect from among themselves a Chairman of the Board by a majority in a meeting attended by over two-thirds of the Directors. The Board of Directors conducts all of the Company's related affairs according to law, Articles of Association, and resolutions of Shareholders' Meetings and Board meetings.

- Article 18. The Board meetings shall be convened by the Chairman of the Board. Except as otherwise provided in the Company Act, a Board meeting may be held if attended by a majority of total Directors and resolutions shall be adopted with the concurrence of the majority of the Directors present at the meeting. A Director may, by written authorization specifying the scope of delegated authority, appoint another Director to attend on his behalf any Board meeting, and to vote for him on matters presented at such meeting. But no Director may act as proxy for more than one other Director.

In case a Board meeting held via video conference, any Director attending the meeting via video conference shall be deemed attending the meeting in person.

Board meetings shall be convened upon written notice with the agenda mailed to all the Directors at least 7 days prior to the date of the meeting. In case of urgent circumstances, however, a meeting may be called at any time. Board meetings shall be convened through facsimile or E-mail.

- Article 19. The responsibility of Board of Directors are as below:

1. The preparation of business plan;
2. The preparation of earnings distribution;

3. The preparation of capital increase and reduction;
4. The preparation and review of significant rules and contracts;
5. The appointment and dismissal of management;
6. The engagement of the Company's consultant;
7. The establishment or closure of branch companies;
8. The review and decision of budget and final accounts;
9. The review and decision of real estate transaction and investment in other businesses;
10. The decision of other important matters.

Article 20. Deleted.

Article 21. The resolutions of Board meetings shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the Directors presented in the meeting. Meeting minutes shall be distributed to all Directors within 20 days of the meeting. Such minutes, together with the attendance list and proxies, shall be filed and kept at the office of the Company.

Article 22. Deleted.

Article 23. The Company appoints several managers. The appointment, dismissal, and remuneration are conducted according to the Company Act.

Article 24. Participation fee for each Director and Supervisor to present in Board meetings is NT\$10,000 every month.

The Board of Directors is authorized to decide the remuneration of Independent Directors, including those acting as other committee members. The remuneration shall be decided considering the usual standard of the industry. Independent Directors may not participate in distribution of compensation to Directors and Supervisors stipulated in Article 26 of Articles of Association.

The Board of Directors is authorized to decide remuneration of Directors according to the level of participation in the Company's operation, value of their contribution, and the usual standard of the industry. The Company may purchase liability insurance during the terms of Directors in order to reduce and diversify risks.

Chapter 4. Accounting

Article 25. After the close of each fiscal year, the following reports shall be prepared by the Board of Directors and submitted to Audit Committee for review 30 days prior to the regular shareholders' meeting. The reports shall be thereby submitted to the Shareholders' Meeting for acknowledgement.

1. Business Report;
2. Financial Statements;
3. Proposal Concerning Distribution of Earnings or Covering of Losses.

Article 26. If the Company earns a profit for the year, the Company shall set aside not less than 0.5% of its annual profits as employee bonus and not more than 3% as remuneration of Directors. However, if the Company still has accumulated deficit, the amount for offsetting the deficit should be reserved first. Parties eligible to receive the said employee bonus in the form of stock or cash shall include employees in affiliated companies who met certain conditions.

Article 26-1. If there is any annual profit, the Company shall first pay out income tax, offset its

losses in previous years and set aside a legal reserve at 10% of the earnings left over, until the accumulated legal reserve has equaled the total capital of the Company; then set aside or reverse special reserve if needed by the Company's operation or in accordance with relevant laws or regulations. If there is still remaining profit and beginning undistributed earnings, the Board of Directors shall propose earnings distribution to the Shareholders' Meeting for resolution.

Chapter 5. Dividend Policy

Article 27. The Company's dividend policy is based on the future expansion plan, operation plan, and capital needs. The proportion of cash dividends may not be below 10% of total dividends.

Chapter 6. Supplementary Provisions

Article 28. The Company's rules for organization and operation shall be determined by the Board of Directors.

Article 29. The total amount of the Company's reinvestment may exceed 40% of the Company's paid-up capital. The Board of Directors is authorized to execute the investment.

Article 30. The Company may provide endorsements and guarantees and act as a guarantor.

Article 31. Any matters that are not addressed in the Articles of Association shall be governed by the Company Act and other relevant laws and regulations.

Article 32. This Articles of Association was established on June 18, 1983.

The 1st amendment was made on December 7, 1984.

The 2nd amendment was made on July 24, 1985.

The 3rd amendment was made on March 12, 1986.

The 4th amendment was made on July 2, 1987.

The 5th amendment was made on August 26, 1991.

The 6th amendment was made on October 5, 1991.

The 7th amendment was made on September 7, 1992.

The 8th amendment was made on May 7, 1993.

The 9th amendment was made on February 20, 1994.

The 10th amendment was made on May 9, 1994.

The 11th amendment was made on September 29, 1994.

The 12th amendment was made on April 10, 1995.

The 13th amendment was made on August 7, 1995.

The 14th amendment was made on March 20, 1997.

The 15th amendment was made on May 3, 1997.

The 16th amendment was made on December 6, 1997.

The 17th amendment was made on June 13, 1998.

The 18th amendment was made on June 1, 1999.

The 19th amendment was made on April 14, 2000.

The 20th amendment was made on November 30, 2000.

The 21st amendment was made on May 31, 2001.

The 22nd amendment was made on June 17, 2002.

The 23rd amendment was made on May 27, 2003.
The 24th amendment was made on June 28, 2004.
The 25th amendment was made on May 10, 2005.
The 26th amendment was made on June 23, 2006.
The 27th amendment was made on June 19, 2009.
The 28th amendment was made on June 29, 2010.
The 29th amendment was made on June 28, 2011.
The 30th amendment was made on June 18, 2012.
The 31st amendment was made on June 27, 2014.
The 32nd amendment was made on June 22, 2015.
The 33rd amendment was made on June 27, 2016.
The 34rd amendment was made on June 30, 2020
(The supervisory system shall be abolished on the date when the Audit
Committee is established in accordance to the law.)

BASSO INDUSTRY CORP.

Chairman Po-Yen Lai

【Appendix 3】

BASSO INDUSTRY CORP.
Current shareholdings of directors
As of April 4th, 2022

Title	Name	Number of Shares	Shareholding ratio %
Chairman	Po-Yen Lai	2,132,831	1.54
Director	Ba Wei Investment Co., Ltd. Representative: Shu-Hsiang Liu	13,507,138	9.75
Director	Ming-Shing Lai	1,220,313	0.88
Director	Chung-Hsiung Hung	93,275	0.07
Director	Po-Feng Lai	2,991,826	2.16
Director	Chi-Wen Lin	16,200	0.01
Director	Hung-Yi Chen	28,000	0.02
Director	Fu-Lo Huang	15,000	0.01
Independent Director	Chun-Chung Lien	2,203	-
Independent Director	Jen-Nan Sheen	3,524	-
Independent Director	Kai-Hsin Chang	0	-
Total of all directors		20,010,310	14.44

Note 1: As required under Item 4, Paragraph 1, Article 3 of the “Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies”.

Note 2: The above are calculated from our shareholders' registry, as of the record date.

Note 3: Total outstanding shares: 138,570,640 shares.

Note 4: The minimum total required shares of all non-independent directors: 10,000,000shares
, up to the date of April 4th, shares of total non-independent directors : 20,004,583shares

Note 5: The minimum total required shares of all non-independent supervisors: The Company has established an audit committee and cancelled the appointment of all supervisors. Hence, this regulation does not apply. (if the Company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent according to Article 2-2 of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies)

Note 6: The shares held by all directors are in compliance with regulatory requirements.