

LemTech

LemTech Holdings Co., Limited

**2022 Annual General Shareholders'
Meeting Handbook**

Date: 9:00 a.m., Thursday, June 30, 2022

**Venue: 3F, No. 189, Sec.1, Xianmin Blvd., Banqiao Dist., New Taipei
City (Grand Forward Hotel)**

(This English version is a translation based on the original Chinese version.
Where any discrepancy arises between the two versions, the Chinese version shall prevail.)

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Lemtech Holdings Co., Limited

Procedure for the 2022 Annual Shareholders' Meeting

- I. Meeting Called to Order**
- II. Chairperson Remarks**
- III. Reporting Matters**
- IV. Proposals Matters**
- V. Discussion Matters**
- VI. Extemporaneous Motions**
- VII. Adjournment**

II. Meeting Agenda

Date: 9:00 a.m., Thursday, June 30, 2022

Venue: 3F, No. 189, Sec.1, Xianmin Blvd., Banqiao Dist., New Taipei City (Grand Forward Hotel)

Convening Way: Physical Shareholders' Meeting

Meeting Procedures:

- I. Meeting Called to Order (Report on the total number of shares held by those in attendance)
- II. Chairperson Remarks
- III. Reporting Matters
 - Report I. Operation conditions of the company in 2021
 - Report II. Audit Report of final statements of 2021 by the Audit Committee
 - Report III. Distribution of employees' and directors' remuneration in 2021
 - Report IV. Distribution of cash dividends in 2021
 - Report V. Changes and Implementation Report of the Funds Utilization Plan for Issuing the Fourth Domestic Unsecured Convertible Corporate Bonds
 - Report IV. Amendments to Corporate Governance Best Practice Principles
- IV. Proposals Matters
 - Item I. Adoption of the 2021 Business Report and Financial Statements
 - Item II. Adoption of distribution of earnings plan of 2021
- V. Discussion Matters
 - Item I. Amendment to the company's Rules of Procedure for Shareholders' Meetings
 - Item II. Amendment to the company's Operational Procedures Governing the Acquisition and Disposal of Asset
 - Item III. Amendments to the Memorandum and Articles of Association of the Company
 - Item IV. Removing Restrictions on Competing with the Company by Directors
- VI. Extemporaneous Motions
- VII. Adjournment

(I) Reporting Matters

Report I: Operation conditions of the company in 2021

Description: For the content of the company's 2021 Business Report, please refer to Attachment 1 of this handbook.(page10-15)

Report II: Audit Report of final statements of 2021 by the Audit Committee

Description: In accordance of Article 228 of the Company Act, the company's Board of Directors has prepared the Business Report, consolidated financial statements, and proposal of annual profit distribution. The Audit Committee has reviewed the aforementioned books and statements submitted by the Board of Directors and has found no deviations. Therefore, pursuant to Article 14-4 of the Securities and Exchanges Act and Article 219 of the Company Act, the Audit Committee hereby presents the Audit Report. Please refer to Attachment 2 of this handbook.(page16)

Report III: Distribution of employees' and directors' remuneration in 2021

Description: 1. Pursuant to the company's Memorandum and Articles of Association, it is proposed to appropriate 1% for employees' compensation as well as for directors' compensation, in the amount of NTD4,792,156 for employees and NTD 4,792,156 for directors respectively.

2. The motion has been approved by the Remuneration Committee and the Board of Directors and is submitted to the shareholders' meeting.

Report IV: Distribution of cash dividends in 2021

Description: 1. According to the provisions of Articles 94-1, 94-2 and 95 of the company's Memorandum and Articles of Association, when the profit is distributed in the form of cash, the company authorizes the Board of Directors to distribute the said profit after a resolution is made, and then report to the shareholders' meeting.

2. Upon the resolution at the 24th meeting of the 4th Board of Directors of the company, a cash dividend of NT\$54,376,980 in 2021 Q1 was distributed to shareholders, and NT\$1 was distributed per share, which was distributed in 11th August, 2021.

3. Upon the resolution at the 2nd meeting of the 5th Board of Directors of the company, a cash dividend of NT\$54,376,980 in 2021 Q2 was distributed to shareholders, and NT\$1 was distributed per share, which was distributed in 29th October, 2021.

4. Upon the resolution at the 3rd meeting of the 5th Board of Directors of the company, a cash dividend of NT\$62,520,775 in 2021 Q3 was distributed to shareholders, and NT\$1 was distributed per share, which was distributed in 7th January, 2022.
5. Upon the resolution at the 5th meeting of the 5th Board of Directors of the company, a cash dividend of NT\$62,520,775 in 2021 Q4 will be distributed to shareholders, and NT\$1 will be distributed per share, which is expected to be distributed in 1st June, 2022.

Item V : Changes and Implementation Report of the Funds Utilization Plan for Issuing the Fourth Domestic Unsecured Convertible Corporate Bonds

Description : 1. Changes and Implementation Report of the Funds Utilization Plan for

Issuing the Fourth Domestic Unsecured Convertible Corporate Bonds

- i) The company has passed the resolution of the board of directors on August 18, 2021 to issue the fourth domestic unsecured convertible corporate bonds with a total face value of NT\$2,000,000,000, and the expected total raised amount is capped at NT\$2,020,000,000.
Purchased a factory building for NT\$1,720,000,000 and repaid a bank loan of NT\$300,000,000, the case was approved and recorded by Taiyang Wai Wu Zi No. 1100029154 letter on August 31, 2021 and Jin Guan Zheng Fa Zi No. 1100357966 letter on September 24, 2021, and the total face value of NT\$1,600,000,000 was actually issued, and the actual raised NT\$1,608,000,000. Due to the failure to issue the full amount, according to the resolution of the board of directors on August 18, 2021, the insufficient amount will be reduced by reducing the amount of repayment of bank loans. Therefore, the final issue of the fourth domestic unsecured convertible corporate bond plan is to purchase the factory building at NT\$1,720,000,000 in Taiwan.
- ii) For the original plan to purchase the target object of the factory and office building in Nankan, the transaction could not be completed because the two parties could not reach an agreement. Therefore,

after the evaluation of the company, it is planned to purchase from the non-related person Benhua Asset Management Co., Ltd. The factory building at No. 1 Ding'an Road, ZhongLi Industrial Zone, because the land and building area of the new target object are smaller than the original purchase of the Nankan factory building, so the purchase price of the factory building is lower than the original purchase price of the Nankan factory building. Since the difference amount has reached 20% of the fundraising amount (NT\$1,608,000,000*20%=321,600,000), in accordance with Article 10, Paragraph 1, Subparagraph 4 of the "Regulations Governing the Offering and Issuance of Securities by Foreign Issuers", it is proposed to change the company's plan to issue the fourth domestic unsecured convertible corporate bonds to purchase a factory and office building in Taiwan of NT\$1,070,532,000 (including necessary transaction costs, such as taxes and agency fees, etc.) and repay bank loans of NT\$537,468,000.

iii) This case was approved by the resolution of the Audit Committee on December 29, 2021.

2. Issuance of the fourth domestic unsecured convertible corporate bonds

i) Based on Company Act Article 246.

ii) The company issued the fourth domestic unsecured convertible corporate bond on October 26, 2021 in order to repay the bank loan and purchase the building in Taiwan. The relevant matters for the total amount of NT\$1,600 million are as follows:

Type of Corporate Bonds	Fourth domestic unsecured convertible corporate bonds
Release Date	October 26 th , 2021
Denomination	NTD\$100,000
Place of Issuance and Transaction	Taipei Exchange
Issue Price	NTD\$100.50
Total	NTD\$1,600,000,000

Interest Rate	0%	
Period	Three years ; Matures on : October 26 th , 2024	
Guarantee Organization	N/A	
Trustee	Cathay United Bank Co. Ltd.	
Underwriting institution	Fubon Securities Co. Ltd.	
Certified Lawyer	Jheding International Law Offices Alston Chen	
Certified Public Accountant	Deloitte & Touche Lee, Li-Huang 、 Chih, Jui-Chuan	
Reimbursement Method	Except for the redemption by the company, the sale by the bondholder, the execution of the conversion, or the redemption and cancellation by the business premises of a securities firm, the company will repay this bond in cash based on the bond denomination upon maturity.	
Outstanding Amount	NTD\$1,600,000,000	
Redemption and Advanced Redemption Provisions	Please refer to Issuance of the fourth domestic unsecured convertible corporate bonds regulation	
Restrictive Provisions	None	
Name of Credit Rating Agency, Rating Date, and Corporate Bond Rating Results	N/A	
Other rights attached	Amount of Converted(Exchanged or Subscribed Ordinary shares, Overseas Depository Receipts or Other Negotiable Securities)	By April 30 th , 2022 , there is no converted ordinary share.
	Issuance and Conversion (Exchange or Subscription) Method	Please refer to MOPS-Investment area- creditability area
Name of the Custodian Institution for Underlying Exchange	None	

Report VI: Amendments to the Corporate Governance Best Practice Principles

Description: Amendments are made in accordance with the Taiwan Stock Exchange's December 8, 2021 Tai Zen Zi Li Zi No. 1100024981 and March 8, 2022 Tai Zen Zi Li Zi No. 1110004250 Announcement to amend the "Code of Practice for Governance of Listed Companies". For amendment to the "Corporate Governance Best Practice Principles," please refer to Attachment 3 of this handbook.(page17-23)

(II) Proposals Matters

Item I: (Proposed by the Board of Directors)

Subject: Adoption of the 2021 Business Report and Financial Statements

Description: 1. The 2021 Business report, consolidated financial statements (including balance sheet, income statement, statement of changes in equity, and statement of cash flows) have been resolved by the Board of Directors. These consolidated financial statements, as audited by the CPAs of Deloitte Taiwan, Chih, Jui-Chuan and Lee, Li-Huang, along with the 2021 Business Report, have been reviewed and approved by the Audit Committee. Please see Attachment 4 of this handbook.(page24-33)

2. Please proceed to adopt this proposal.

Resolution:

Item II: (Proposed by the Board of Directors)

Subject: Adoption of distribution of earnings plan of 2021

Description: 1. The company's 2021 Annual Profit Distribution Table have been approved by the Audit Committee, and resolved by the Board of Directors.

2. The earnings distribution for the year is NT\$1,143,600,886. (Including the undistributed surplus at the beginning of the period of NT\$711,626,399, plus the net profit after tax of the current period of NT\$465,718,582, and the special reserved surplus of NT\$33,744,115), minus the cash dividends distributed in 2021 totaling NT\$233,795,510, the undistributed surplus at the end of the period was NT\$909,805,356.

3. According to the company's 2021 Annual Profit Distribution Table, please refer to Attachment 5 of this handbook.(page34)

4. Please proceed to adopt this proposal.

Resolution:

(III) Discussion Matters

Item I: (Proposed by the Board of Directors)

Subject: Amendment to the company's Rules of Procedure for Shareholders' Meetings

Description: According to Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meetings and Taiwan Stock Exchange letter Taiwan Zhengzhizi No. 1110004250 dated March 8th 2022, it is proposed to amend the comparison table of the company's Rules of Procedure for Shareholders' Meetings. Please refer to Attachment 6 of this handbook.(page35-59)

Resolution:

Item 2. (Proposed by the Board)

Subject: Amendments to the "Operational Procedures Governing Acquisition and Disposal of Assets".

Explanation: Pursuant to the Operational Procedures Governing Acquisition and Disposal of Assets for Public Companies issued by Financial Supervisory Commission Letter Jin Guan Zheng Fa Zi No. 1110380465 dated January 28, 2022, the Company has prepared the comparison table of the modifications of the "Operational Procedures Governing Acquisition and Disposal of Assets." Please refer to Attachment 7 of the this handbook. (page 60-71)

Resolutions:

Item III: (Proposed by the Board of Directors)

Subject: Amendments to the Memorandum and Articles of Association of the Company

Description: Pursuant to Taiwan Stock Exchange, Tai Zheng Shang Er Zi No. 1101701488 dated May 14, 2021 and the amendment to the "Checklist for Protection of Shareholder Interests in Countries of Incorporation of Foreign Issuers" in Tai Zheng Shang Er Zi No. 1111700674 dated March 11, 2022, it is proposed to amend the comparison table of the company's Memorandum and Articles of Association. Please refer to Attachment 8 of this handbook. (page 72-76)

Resolution:

Item IV: (Proposed by the Board of Directors)

Subject: Removing restrictions on competing with the company by directors

Description: 1. Article 209 of the Company Act stipulates that a director who does anything for himself/herself or on behalf of another person that is within

the scope of the company's business shall explain to the shareholders the essential contents of such an act and secure their approval at the shareholders' meeting.

2. Due to business demands, the company intends to request the shareholders' meeting to approve the removal of restrictions on competing with the company by directors.
3. For the content of the proposed removal of restrictions on competing with the company by directors, please refer to Attachment 9 of this handbook(page77).

Resolution:

VI. Extemporary motions

VII. Adjournment

Attachment 1. 2021 Business Report

Dear Shareholders,

Like many companies, Lemtech continued to navigate the effects of the COVID-19 pandemic, broader supply chain challenges, and dynamic commodity prices in 2021. At the same time, we remained committed to our strategy and our vision, enabling us to deliver improved performance, stronger returns, and more efficient operations. We are extremely proud of the entire Lemtech team for achieving strong results during what was another challenging year. Lemtech sales grew 16.41 percent to NTD 6.37 billion (previous year: NTD 5.47 billion). Net profit in the reporting currency increased 2.69 percent to NTD 467 million (previous year: NTD 455 million).

Lemtech continued to operate at a high level in 2021. This is especially so for our customers increasing orders in fitness equipment and sheet metal components for automotive. Lemtech also secured new project orders from our new and existing customers in 2021, including semiconductor equipment, smart weighting device for fitness connection, and sheet metal components for EV battery housing. Our market outlook on Connected Fitness Industry, Semiconductor Industry and Automotive Industry continues to be increasingly positive, and our nominated projects portfolio shall provides Lemtech with multiple growth opportunities into the future.

Despite the challenging market environment, Lemtech invested over NTD 127 million in both new machines and new production facilities to grow and secure our business activities in 2021. We expanded our core stamping business capacities by expanding and optimizing our manufacturing locations in Czech Republic and China Tianjin. These expansion would enable Lemtech to provide more value added services and solutions to our customers, thus putting Lemtech in better position for more projects nomination moving forward.

Turning to future development plan, Lemtech will emphasis on the sales and business development of existing or new customers from 3C Industry (Computer, Communication, Consumer Electronics) with focus on Cloud Computing and smart devices, Automotive Industry with focus on Electric Vehicle (EV), Connected Fitness Industry with focus on digital fitness training equipment, and Semiconductor Industry with focus on semiconductor equipment manufacturing. We will also increase the application of robots in production to reduce the dependency on labor force, improve production efficiency and product quality, and ensure production sustainability.

Although it may be difficult to imagine in this time of immeasurable hardship and deep uncertainty ahead, we are encouraged because we believed we will continue be supported by our customers, employees, and shareholders to collectively work together to overcome the challenges. We will continue to pursue our mission to position Lemtech for continued growth in 2022 and beyond, and be a social responsible corporate in helping to build a more prosperous and sustainable world.

I. 2021 Business Report

(I) Implementation results of the business plan

Unit: Thousand NTD

Item \ Year	2021	2020	Amount of increase (decrease)	Change by percentage (%)
Net operating revenue	6,369,118	5,471,250	897,868	16.41
Operating costs	5,037,774	4,190,903	846,871	20.21
Gross profit	1,331,344	1,280,347	50,997	3.98
Operating expenses	699,510	595,086	104,424	17.55
Net operating income	631,834	685,261	(53,427)	(7.80)
Non-operating income and expenses	(3,935)	(42,244)	38,309	(90.69)
Net income before tax	627,899	643,017	(15,118)	(2.35)
Less: Income tax expenses	160,727	188,094	(27,367)	(14.55)
Net income for this period	467,172	454,923	12,249	2.69

Analysis on the change of amount of increase/decrease:

1. Increase in operating revenue: Mainly caused by sports products, motors and communication products higher than last year.
2. Increase in operating costs: As operating revenue increases, costs also increase.
3. Increase in gross profit: Mainly caused by increasing operating revenue.
4. Increase in operating expenses: Due to new establishment of the subsidiary in Luchou and increasing personnel expense.
5. Decrease in net operating income: Due to new establishment of the subsidiary in Luchou and increasing personnel expense.
6. Decrease in non-operating expenses: Due to the conversion of the third convertible corporate bonds was completed in the first quarter with the decrease in financial costs.
7. Decrease in net income before tax: Mainly due to the increase in net operating income.
8. Decrease in income tax expenses: Mainly due to decrease in net income before tax, causing the decrease in income tax expenses.

9. Increase in net income for this period: Mainly due to the decrease in income expense.

(II) Analysis of financial revenues and expenditures and profitability: We focuses on enhancing the portfolio of products which generate higher gross profit, integrating client resources, strengthening cooperation with well-known enterprises. Our financial operations have been consistent and stable, and revenue and expenditures are in good condition.

Unit: %

Item		Year		
		2021	2020	Increase (decrease)
Financial structure	Ratio of liabilities to assets	61.76	59.44	2.32
	Ratio of long-term capital to fixed assets	372.17	233.16	139.01
Debt service ability	Current ratio	213.15	153.23	59.92
	Quick ratio	181.58	128.65	52.93
Profitability	Asset return ratio	6.68	7.7	-1.02
	Shareholders' equity return ratio	16.42	19.94	-3.52
	Basic earnings per share (NTD)	7.51	8.32	-0.81

II. 2022 Business Plan

(I) Emphasis on employee safety and health important to prevent injuries during the execution of business. All employees must compliance with the Occupational Safety and Health Act, related laws, and standards set by the company in order to jointly create a safe and comfortable workplace environment for everybody.

(II) Prohibit discriminatory behavior from supervisors and employees based on race, gender, religious beliefs or sexual orientation in order to promote fair treatment in the workplace.

(III) Conducts half-yearly performance review on all employees in order to identify areas for improvement and motivate all employees to achieve better results. Define the steps needed by each employees in order to receive a better bonus or a raise in their salary.

(IV) Ensure compliance with laws and regulations related to information security, guidelines

set by the country, and regulations required by customers. Company will

- establish an information security management system and endeavor to properly store information assets. Implement information security-related education and training to raise awareness of all employees for proper use of information assets.
- (V) Ensure compliance with the industry quality rules and regulations, in addition to using of company's technical and manufacturing capabilities to produce parts that meet the customer quality needs and expectations.
- (VI) Embrace new technologies and continue production improvement processes in order to be competitive and differential from our competitors.
- (VII) Embrace environmental protection activities such as reducing the amount of waste discharged through accurate sorting, and making the best use of recycle materials during production activities.
- (VIII) Comply with customers' requirement to reducing carbon emissions footprint in their
 products development and production.
- (IX) All subsidiaries within company need to cooperate and communicate closely on global
 scale, making full use of the knowledge and expertise of every staff within the group in order to support group business development and growth globally.

III. Future Development Strategies of the Company

Company adheres to the concept that only through continuous innovation and transformation of our business processes with both technical and high value-added services to our customers, will ensure sustainable operation and improve quality in response to the rapid demand of the market.

(A) Short or Medium Term Plan

- i) Position as a comprehensive manufacturing solution provider with integrated production capabilities capable of producing diversify products for different industry customers.
- ii) Emphasis on the sales and business development of existing or new customers from 3C Industry (Computer, Communication, Consumer Electronics) with focus on Cloud Computing and smart devices, Automotive Industry with focus on Electric Vehicle (EV), Connected Fitness Industry with focus on digital fitness training equipment, and Semiconductor Industry with focus on semiconductor equipment manufacturing.
- iii) Increase the application of robots in production, and gradually change the current production line production method into an automated production line in order to reduce the dependency on labor force, improve production efficiency and product quality, and ensure production sustainability.
- iv) Current group revenue is highly dependent on the manufacturing solutions from China and Taiwan. Company needs to start establishing the missing

manufacturing footprint in North America and South East Asia in order to cater for the increasing customer demands for manufacturing solutions and business opportunities in these regions as customers raised their concern on increasing logistic cost, supply chains and political risk management. The M&A collaboration with strategic partners will enable company to accelerate its global manufacturing footprint and increase the business opportunities to new customers, new products and new business segment developments.

- v) To use digital technology to make the overall operation more efficient. The implementation of SAP system at all subsidiaries should enable real time access to all operation and finance data of each sites and allow the management to make speedy and quality decision-making.

(B) Long Term Plan

- i) Combine the resources of all similar business units to provide a common platform to customers with globally standardized services, including the industrialization solutions and the standardization of products delivery.
- ii) Continuous investment on research and development, innovation technology in order to gradually transform into Tier 1 solution provider whom able to provide product and manufacturing solutions to OEM customers.
- iii) Achieve sustainability by working with our stakeholders to develop strategy and goals in alignment with the social and environmental challenges to create thriving, healthy, diverse and resilient business operations for our employees and the communities in which we live and work in.

IV. Influenced by the external competitive environment, regulatory environment and overall business environment

(A) Influence of external competition

- i) The pandemic situation has changed people living standard mindset and resulted labor shortage and increasing the labor cost. Company needs to implement continuous process improvement activities and increase on automation implementation on production process to reduce its labor dependency.
- ii) With fierce market pricing competition, Company needs to identify its strength and weakness, define its key differentiators from our competitors in order to focus on the right project nominations that will fully utilize our company resources to produce quality products consistently and maximize the group earnings.

(B) Influence of environment regulatory

- i) Healthy and safe environment is highly important for our operations. Company committed to providing safe facilities and operation processes for all employees by following global health and safety

standards, policies, best practices and local legal requirements.

- ii) Natural resources is highly important for our environment. Company committed to the responsible use and care of water through our water conservation facilities, as well as minimizing the amount of waste from operations going to landfills by working with qualified suppliers to manage the waste generated from our production.

(C) Overall business environment

- i) Semiconductor chip shortage and shipment delay has affected OEM production capacity that in turn affect all next tier supply chains. Company needs to closely monitor and control inventory aging in order to ensure that company will have a healthy cash flow and will remain financially strong after this supply chain crisis.
- ii) The volatile market will result some companies or customers to be insolvency. Company needs to be prudent in customers aging payment management in order to safe guard the company interest on the payment recovery from all customers.
- iii) The volatile market situation may also be an advantage and present an opportunity for company to look into M&A collaboration with strategic partners in order to expand company global manufacturing footprint and inorganic growth.

Lemtech Holdings Co., Limited

Chairman Chi-Feng, Hsu

President Eu, Ricky

Financial Manager Chien, Yi-Ling

Attachment 2. 2021 Audit Report by Audit Committee

Lemtech Holdings Co., Limited Audit Report by Audit Committee

The 2021 Business Report, consolidated financial statements, and proposal of annual profit distribution are prepared by the company's Board of Directors. The CPAs of Deloitte Taiwan, Lee, Li-Huang and Chih, Jui-Chuan, have audited the aforementioned consolidated financial statements and issued the audit report.

The Audit Committee has reviewed the above books and statements submitted by the Board of Directors and has found no deviations. Therefore, pursuant to Article 14-4 of the Securities and Exchanges Act and Article 219 of the Company Act of the Republic of China, the Audit Committee hereby presents the audit report.

RESPECTFULLY SUBMITTED TO

Lemtech Holdings Co., Limited

Convener of the Audit Committee: Yang, Rui-Long

March 30, 2022

Attachment 3. Comparison Table of the " Corporate Governance Best Practice Principles" before and after the Amendments

Amended Content	Original Content	Explanations
<p>Article 6</p> <p>The board of directors of a TWSE/TPEX listed company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location or <u>via a conference call meeting</u>, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.</p> <p>For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as</p>	<p>Article 6</p> <p>The board of directors of a TWSE/TPEX listed company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements.</p> <p>For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as representative. Attendance details</p>	<p>In accordance with the Taiwan Stock Exchange's December 8, 2021, Tai Zheng Zhi Zi No. 1100024981 and March 8, 2022, Tai Zheng Zhi Zi No. 1110004250 announcement to amend the " Corporate Governance Best Practice Principles"</p>

Amended Content	Original Content	Explanations
<p>representative. Attendance details should be recorded in the shareholders meeting minutes.</p>	<p>should be recorded in the shareholders meeting minutes.</p>	
<p>Article 10 The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.</p> <p>To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.</p> <p>To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</p> <p>It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the company's financial reports or relevant results, <u>including (but not limited to) directors are not allowed to trade their shares during the 30 days before the announcement of the annual financial report, and the closed period of 15 days before the announcement of the quarterly financial report.</u></p>	<p>Article 10 The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.</p> <p>To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.</p> <p>To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</p> <p>It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the company's financial reports or relevant results.</p>	<p>In accordance with the Taiwan Stock Exchange's December 8, 2021, Tai Zheng Zhi Zi No. 1100024981 and March 8, 2022, Tai Zheng Zhi Zi No. 1110004250 announcement to amend the "Corporate Governance Best Practice Principles"</p>

Amended Content	Original Content	Explanations
<p>Article 20 The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.</p> <p>The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.</p> <p>The composition of the board of directors shall be determined by taking diversity into consideration. <u>It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members,</u> and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards: Basic requirements and values: Gender, age, nationality, and culture. <u>The ratio of female directors should reach one-third of the number of directors.</u></p> <p>Professional knowledge and skills: A professional background (e.g.,</p>	<p>Article 20 The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.</p> <p>The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.</p> <p>The composition of the board of directors shall be determined by taking diversity into consideration. An appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards: Basic requirements and values: Gender, age, nationality, and culture. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</p> <p>All members of the board shall have the knowledge, skills,</p>	<p>In accordance with the Taiwan Stock Exchange's December 8, 2021, Tai Zheng Zhi Zi No. 1100024981 and March 8, 2022, Tai Zheng Zhi Zi No. 1110004250 announcement to amend the "Corporate Governance Best Practice Principles"</p>

Amended Content	Original Content	Explanations
<p>law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</p> <p>All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:</p> <p>Ability to make operational judgments.</p> <p>Ability to perform accounting and financial analysis.</p> <p>Ability to conduct management administration.</p> <p>Ability to conduct crisis management.</p> <p>Knowledge of the industry.</p> <p>An international market perspective.</p> <p>Ability to lead.</p> <p>Ability to make policy decisions.</p>	<p>and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:</p> <p>Ability to make operational judgments.</p> <p>Ability to perform accounting and financial analysis.</p> <p>Ability to conduct management administration.</p> <p>Ability to conduct crisis management.</p> <p>Knowledge of the industry.</p> <p>An international market perspective.</p> <p>Ability to lead.</p> <p>Ability to make policy decisions.</p>	
<p>Article 24</p> <p>The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than three in number and not less than <u>one-third of the total number of directors, the consecutive term of independent directors shall not exceed three consecutive terms.</u></p> <p>Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director)</p>	<p>Article 24</p> <p>The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than three in number and not less than <u>one-fifth</u> of the total number of directors.</p> <p>Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other companies. Independent directors shall also maintain</p>	<p>In accordance with the Taiwan Stock Exchange's December 8, 2021, Tai Zheng Zhi Zi No. 1100024981 and March 8, 2022, Tai Zheng Zhi Zi No. 1110004250 announcement to amend the "Corporate Governance Best Practice Principles"</p>

Amended Content	Original Content	Explanations
<p>or supervisor of more than five other companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.</p> <p>If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.</p> <p>The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.</p> <p>Change of status between independent directors and non-independent directors during their term of office is prohibited.</p> <p>The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of</p>	<p>independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.</p> <p>If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.</p> <p>The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.</p> <p>Change of status between independent directors and non-independent directors during their term of office is prohibited.</p> <p>The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set</p>	

Amended Content	Original Content	Explanations
<p>nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.</p>	<p>forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.</p>	
<p>Article 49 <u>The Company's website shall set up a special area to disclose the following corporate governance-related information and keep it updated:</u> 1. <u>Board of Directors: such as the resumes of board members and their powers and responsibilities, the diversity policy and implementation of board members.</u> 2. <u>Functional committees: such as the resumes of the members of each functional committee and their responsibilities.</u> 3. <u>Regulations related to corporate governance: such as the articles of association of the company, the procedures of the board of directors and the organizational regulations of functional committees and other relevant corporate governance regulations.</u> 4. <u>Important information related to corporate governance: such as information on setting up corporate governance supervisors.</u></p>	<p>Article 49 <u>The Company shall disclose and update from time to time the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE or TPEX rules:</u> 1. <u>Corporate governance framework and rules.</u> 2. <u>Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy).</u> 3. <u>Structure, professionalism and independence of the board of directors.</u> 4. <u>Responsibility of the board of directors and managerial officers.</u> 5. <u>Composition, duties and independence of the audit committee or supervisors.</u> 6. <u>Composition, duties and operation of the remuneration committee and other functional committees.</u> 7. <u>The remuneration paid to the directors, supervisors, general manager and vice general manager in the last two fiscal years, the analysis of the percentage of total remuneration to net profit after tax in the parent company only financial reports or</u></p>	<p>In accordance with the Taiwan Stock Exchange's December 8, 2021, Tai Zheng Zhi Zi No. 1100024981 and March 8, 2022, Tai Zheng Zhi Zi No. 1110004250 announcement to amend the "Corporate Governance Best Practice Principles"</p>

Amended Content	Original Content	Explanations
	<p><u>individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance and future risk. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed.</u></p> <p><u>8.The progress of training of directors and supervisors.</u></p> <p><u>9.The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.</u></p> <p><u>10.Details of the events subject to information disclosure required by law and regulations.</u></p> <p><u>11.The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.</u></p> <p><u>12.Other information regarding corporate governance.</u></p> <p><u>The Company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.</u></p>	

Attachment 4. 2021 Auditors' Report and Financial Statements

Independent Auditors' Report

Lemtech Holdings Co., Limited public notice:

Audit opinion

Lemtech Holdings Co., Limited (Lemtech Holding Group) and its subsidiaries' Consolidated Balance Sheets as of December 31, 2021 and 2020, in addition to the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statements of Cash Flows, and Notes for Consolidated Financial Statement (including a summary of significant accounting policies) from January 1 to December 31, 2021 and 2020, have been audited by the CPAs.

In our opinion, the consolidated financial statements mentioned above have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission in all material aspects, and are considered to have reasonably expressed the consolidated financial conditions of Lemtech Holding Group and its subsidiaries as of December 31, 2021 and 2020, as well as the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2021 and 2020.

Basis for Auditor's Opinions

We conducted review work in accordance with the "Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and generally accepted auditing standards. Our responsibilities required under said standards will be detailed in the paragraph about the external auditor's responsibility on auditing consolidated financial statements. We are independent of the company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other obligations under the Norm. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit 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 Lemtech Holding Group for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of Lemtech Holding Group and its subsidiaries for the year ended December 31, 2021 are stated as follows:

Key Audit Matters: Revenue recognition authenticity of partial specific customer

The revenue of Lemtech Holding Group is mainly derived from computer, communication, consumer electronics, and automotive parts. Since the materiality and the Statements on Auditing Standards has defaulted revenue recognition as a significant risk. Therefore, the assessment of the authenticity of sales transactions with major customers meeting certain conditions was listed as a key audit matter. For details of the revenue recognition policy, please refer to Note 4 and 25 of the consolidated financial report.

In addition to testing related internal control, our major audit procedures executed on the key audit matter are as follows.

1. Sampling check the details of sales revenue transactions of specific customer groups and the corresponding sales orders, bills of offset and receipts to confirm that sales transactions have actually occurred.
2. Confirm the authenticity of the foregoing transactions after the implementation of the balance sheet date that whether there is a major sales return and discount test and whether the return discount is reasonable.

Responsibility of the management and the governing body for the consolidated financial statements

It is the management's responsibility to fairly present the consolidated financial statements in conformity with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRS, IAS, IFRIC, and SIC endorsed by the FSC, and to sustain internal controls respecting preparation of the consolidated financial statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, the responsibility of management includes assessing the company's ability to continue as a going concern, disclosing going concern related matters, as well as adopting going concern basis of accounting unless the management intends to liquidate the company or terminate the business, or has no realistic alternative but to do so.

The governing bodies of the company (including the audit committee) have the responsibility to oversee the procedures for financial reporting.

Auditor's 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 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. Misstatement may arise from frauds or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

We have utilized our professional judgment and maintained professional skepticism when exercising auditing work according to the auditing standards generally accepted in the Republic of China. We also execute the following tasks:

1. Identify and assess the risks of material misstatement within the consolidated financial statements, whether due to fraud or error; design and execute counter-measures in response to those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances. However, the purpose is not to express an opinion on the effectiveness of the company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, to conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts 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 auditor's 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 auditor's report. However, future events or circumstances may cause the company to no longer continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), 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 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 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 governing bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and to communicate with them on all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 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.

Deloitte & Touche
Taipei, Taiwan (Republic of China)
March 30, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its 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 and Report Originally Issued in Chinese)
Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

Units: NT\$1,000

Code	Total assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Note 6 and 33)	\$ 3,392,595	42	\$ 1,639,999	26
1110	Financial assets at fair value through profit or loss - Current (Note 7 and 33)	43,606	-	8,788	-
1136	Financial assets at amortized cost - Current (Note 8, 9, 33, and 35)	-	-	4,141	-
1150	Note receivables (Note 10, 25, and 33)	3,847	-	3,537	-
1170	Account receivables (Note 10, 25, 33, and 34)	1,910,320	24	2,203,951	34
1197	Finance lease receivables (Note 11 and 33)	6,412	-	5,921	-
1200	Other receivables (Note 10 and 33)	36,218	-	16,178	-
1220	Current tax assets (Note 27)	3,947	-	13	-
130X	Inventory (Note 12)	874,565	11	626,344	10
1410	Prepayments (Note 19)	64,662	1	115,293	2
1470	Other current assets (Note 19)	6,627	-	122	-
11XX	Total Current Assets	<u>6,342,799</u>	<u>78</u>	<u>4,624,287</u>	<u>72</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss - Non-current (Note 7 and 33)	-	-	1,224	-
1550	Investment using equity method (Note 14)	49,226	1	30,758	1
1600	Real estate, plant, and equipment (Note 15, 31, and 35)	1,246,778	15	1,260,496	20
1755	Right-of-use assets (Note 16)	209,754	3	257,686	4
1805	Goodwill (Note 17)	72,062	1	82,175	1
1821	Other intangible assets (Note 18)	32,545	-	40,098	1
1840	Deferred tax assets (Note 27)	15,868	-	13,819	-
194D	Finance lease receivables - Non-current (Note 11 and 33)	1,931	-	8,099	-
1915	Prepayments for equipment (Note 19)	118,991	2	64,161	1
1920	Refundable deposits (Note 19 and 33)	6,248	-	8,916	-
15XX	Total Non-current Assets	<u>1,753,403</u>	<u>22</u>	<u>1,767,432</u>	<u>28</u>
1XXX	Total Assets	<u>\$ 8,096,202</u>	<u>100</u>	<u>\$ 6,391,719</u>	<u>100</u>
Liabilities and Equity					
Current liabilities					
2100	Short-term borrowings (Note 20 and 33)	\$ 934,539	12	\$ 772,658	12
2130	Contract liabilities - Current (Note 25)	116,476	2	96,055	2
2150	Note payables (Note 22 and 33)	193,092	2	174,106	3
2170	Account payables (Note 22 and 33)	1,324,506	16	1,566,068	24
2219	Other payables (Note 23 and 33)	318,354	4	280,432	4
2230	Current tax liabilities (Note 27)	29,102	-	52,906	1
2280	Lease liabilities (Note 16, 31, and 33)	46,474	1	54,985	1
2399	Other current liabilities (Note 23)	13,249	-	20,684	-
21XX	Total Current Liabilities	<u>2,975,792</u>	<u>37</u>	<u>3,017,894</u>	<u>47</u>
Non-current liabilities					
2500	Financial liabilities at fair value through profit or loss - Non-current (Note 7 and 33)	965	-	-	-
2530	Bonds payables (Note 21 and 33)	1,544,106	19	346,352	5
2570	Deferred tax liabilities (Note 27)	376,152	5	290,743	5
2580	Lease liabilities - Non-current (Note 16, 31, and 33)	93,987	1	134,661	2
2645	Deposited Margin (Note 33)	9,134	-	9,467	-
25XX	Total non-current liabilities	<u>2,024,344</u>	<u>25</u>	<u>781,223</u>	<u>12</u>
2XXX	Total Liabilities	<u>5,000,136</u>	<u>62</u>	<u>3,799,117</u>	<u>59</u>
Equity attributable to owners of the company (Note 24)					
Equity					
3110	Ordinary stock	625,208	8	505,535	8
3200	Capital surplus	1,480,562	18	1,114,494	18
Retained earnings					
3320	Special reserve	113,584	1	100,707	2
3350	Unappropriated retained earnings	941,152	12	903,900	14
3300	Total Retained Earnings	<u>1,054,736</u>	<u>13</u>	<u>1,004,607</u>	<u>16</u>
3410	Exchange differences on translation of foreign financial statements	(82,410)	(1)	(48,667)	(1)
31XX	Equity attributable to shareholders of the parent	3,078,096	38	2,575,969	41
36XX	Uncontrolled equity	17,970	-	16,633	-
3XXX	Total equity	<u>3,096,066</u>	<u>38</u>	<u>2,592,602</u>	<u>41</u>
Total Liabilities and Equity					
		<u>\$ 8,096,202</u>	<u>100</u>	<u>\$ 6,391,719</u>	<u>100</u>

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

Chairman: Hsu, Chi-Feng
Manager: Eu, Ricky
Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Statement of Comprehensive Income
Jan. 1 to Dec. 31, 2021 and Jan. 1 to Dec. 31, 2020

(Units: NT\$1,000, Except Earnings Per Share)

Code		2021		2020	
		Amount	%	Amount	%
	Operating revenue (Note 25 and 34)				
4110	Sales	\$ 6,410,268	101	\$ 5,508,588	101
4190	Sales returns and allowances	(41,150)	(1)	(37,338)	(1)
4000	Total operating revenue	6,369,118	100	5,471,250	100
5000	Operating cost (Note 12 and 34)	(5,037,774)	(79)	(4,190,903)	(76)
5900	Gross profit	<u>1,331,344</u>	<u>21</u>	1,280,347	24
	Operating expenses (Note 26 and 34)				
6100	Selling expenses	(175,927)	(3)	(149,493)	(3)
6200	Administrative expenses	(365,476)	(6)	(326,675)	(6)
6300	Research and development expenses	(163,125)	(2)	(130,398)	(2)
6450	Expected credit impairment loss	<u>5,018</u>	-	<u>11,480</u>	-
6000	Total operating expenses	(699,510)	(11)	(595,086)	(11)
6900	Net operating profit	<u>631,834</u>	<u>10</u>	<u>685,261</u>	<u>13</u>
	Non-operating income and expenses (Note 26)				
7100	Interest income	8,435	-	5,196	-
7010	Other income	15,279	-	18,745	-
7020	Other gains and losses	(9,072)	-	(27,104)	-
7050	Finance costs	(21,282)	-	(38,744)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using the equity method	<u>2,705</u>	-	(337)	-
7000	Total non-operating income and expenses	(3,935)	-	(42,244)	(1)

(Continued)

(Continued from previous page)

Code		2021		2020	
		Amount	%	Amount	%
7900	Net income before taxes from continuing operations	\$ 627,899	10	\$ 643,017	12
7950	Income tax expenses (Note 27)	(160,727)	(3)	(188,094)	(4)
8200	Net profit for the period	<u>467,172</u>	<u>7</u>	<u>454,923</u>	<u>8</u>
	Other comprehensive income (loss)				
8360	Items that may be reclassified subsequently to gain or loss:				
8361	Exchange differences on translation of foreign financial statements	(33,861)	-	20,065	1
8300	Other comprehensive income/(loss) for the year, net of income tax	(33,861)	-	20,065	1
8500	Total comprehensive income	<u>\$ 433,311</u>	<u>7</u>	<u>\$ 474,988</u>	<u>9</u>
	Net income attributable to				
8610	Shareholders of the parent	\$ 465,717	7	\$ 455,845	8
8620	Uncontrolled equity	1,455	-	(922)	-
8600		<u>\$ 467,172</u>	<u>7</u>	<u>\$ 454,923</u>	<u>8</u>
	Total comprehensive income (loss) attributable to				
8710	Shareholders of the parent	\$ 431,974	7	\$ 475,527	9
8720	Uncontrolled equity	1,337	-	(539)	-
8700		<u>\$ 433,311</u>	<u>7</u>	<u>\$ 474,988</u>	<u>9</u>
	Earnings per share (Note 28)				
	From continuing business				
9710	Basic	<u>\$ 7.51</u>		<u>\$ 8.32</u>	
9810	Diluted	<u>\$ 6.48</u>		<u>\$ 8.11</u>	

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

Chairman: Hsu, Chi-Feng

Manager: Eu, Ricky

Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Statement of Changes in Equity
Jan. 1 to Dec. 31, 2021 and Jan. 1 to Dec. 31, 2020

Units: NT\$1,000

Code		<i>Equity attributable to owners</i>									
		Share capital		Retained earnings			Exchange differences on translation of financial statements of foreign operations	Treasury stock	Total	Uncontrolled equity	Total equity
Number of Shares (in Thousands)	Amount	Capital surplus	Special reserve	Unappropriated retained earnings							
A1	Balance as of January 1, 2020	47,472	\$ 474,720	\$ 802,102	\$ 13,500	\$ 731,348	(\$ 68,349)	\$ -	\$ 1,953,321	\$ 17,172	\$ 1,970,493
	Appropriation of earnings										
B3	Special reserve	-	-	-	87,207	(87,207)	-	-	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	(165,647)	-	-	(165,647)	-	(165,647)
	Other changes in capital surplus										
M7	Changes in ownership interests in subsidiaries	-	-	584	-	(584)	-	-	-	-	-
C5	Issuance of convertible corporate bonds with recognized equity component	-	-	26,181	-	-	-	-	26,181	-	26,181
I1	Corporate bonds converted into common shares	3,586	35,865	289,191	-	-	-	-	325,056	-	325,056
L1	Treasury shares buyback	-	-	-	-	-	-	(38,469)	(38,469)	-	(38,469)
L3	Retirement of treasury shares	(505)	(5,050)	(3,564)	-	(29,855)	-	38,469	-	-	-
D1	2020 Net Profit	-	-	-	-	455,845	-	-	455,845	(922)	454,923
D3	2020 Other Comprehensive Income (Loss) after tax	-	-	-	-	-	19,682	-	19,682	383	20,065
D5	Total comprehensive income (loss) in 2020	-	-	-	-	455,845	19,682	-	475,527	(53)	474,988
Z1	Balance as of December 31, 2020	50,553	505,535	1,114,494	100,707	903,900	(48,667)	-	2,575,969	16,633	2,592,602
	Appropriation of earnings										
B3	Special reserve	-	-	-	12,877	(12,877)	-	-	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	(334,150)	-	-	(334,150)	-	(334,150)
B9	Stock dividend attributable to shareholders	8,144	81,438	-	-	(81,438)	-	-	-	-	-
I1	Corporate bonds converted into common shares	3,824	38,235	306,759	-	-	-	-	344,994	-	344,994
	Other changes in capital surplus										
C5	Issuance of convertible corporate bonds with recognized equity component	-	-	59,309	-	-	-	-	59,309	-	59,309
D1	2021 Net profit	-	-	-	-	465,717	-	-	465,717	1,455	467,172
D3	2021 other comprehensive profit and loss after tax	-	-	-	-	-	(33,743)	-	(33,743)	(118)	(33,861)
D5	2021 total comprehensive profit and loss	-	-	-	-	465,717	(33,743)	-	431,974	1,337	433,311
Z1	Balance as of December 31, 2021	<u>62,521</u>	<u>\$ 625,208</u>	<u>\$ 1,480,562</u>	<u>\$ 113,584</u>	<u>\$ 941,152</u>	<u>(\$ 82,410)</u>	<u>\$ -</u>	<u>\$ 3,078,096</u>	<u>\$ 17,970</u>	<u>\$ 3,096,066</u>

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

Chairman: Hsu, Chi-Feng
Manager: Eu, Ricky
Accounting Supervisor: Chien, Yi-Ling

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Lemtech Holdings Co., Limited and its subsidiaries
Consolidated Statement of Cash Flows
Jan. 1 to Dec. 31, 2021 and Jan. 1 to Dec. 31, 2020

Units: NT\$1,000

Code		2021	2020
	Cash flows from operating activities		
A10000	Net income before tax of the current year	\$ 627,899	\$ 643,017
A20010	Income Charges (Credits):		
A20100	Depreciation expenses	284,805	250,630
A20200	Amortization expense	11,940	10,960
A20300	Expected credit (returning profits) impairment loss	(5,018)	(11,480)
A20400	Net (profit) loss of financial assets and liabilities measured at fair value through profit and loss	(5,296)	(2,263)
A20900	Finance costs	21,282	38,744
A21200	Interest income	(8,435)	(5,196)
A22300	Share of profit (loss) of associates and joint ventures accounted for using the equity method	(2,705)	337
A22500	Gains on disposal of real estate, plant, and equipment	(359)	(26,363)
A23700	Goodwill impairment loss	10,000	-
A23700	Allowance for inventories	23,108	-
A23800	Reversal of write-downs of inventories	-	(38,291)
A29900	gain on Disposal of subsidiary company of investments	(11,778)	-
A24100	Net foreign currency exchange profits	(3,035)	(21,424)
A24200	Loss from redemption and reversal of corporate bonds payables	8	5,961
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(10)	1,147
A31150	Accounts receivable	269,187	(115,754)
A31180	Other receivables	(13,210)	944
A31200	Inventories	(291,308)	148,469
A31230	Prepayments	50,479	(30,225)
A31240	Other current assets	(6,505)	1,925
A32125	Contract liabilities	20,421	16,647
A32130	Notes payable	18,986	(9,198)
A32150	Accounts payable	(215,295)	99,843
A32180	Other payables	(37,842)	50,655
A32230	Other current liabilities	(7,556)	5,539
A33000	Cash from operating activities	729,463	1,014,624
A33300	Interest paid	(12,083)	(29,253)
A33500	Income tax paid	(95,269)	(76,415)
AAAA	Net cash flows from operating activities	<u>622,111</u>	<u>908,956</u>

(Continued)

(Continued from previous page)

Code		2021	2020
	Cash flows from investing activities		
B00050	Disposal of financial assets at amortized cost	4,141	75,295
B00100	Acquisition of financial assets at fair value through profit or loss	(43,471)	(52,524)
B00200	Proceeds from sale of financial assets at fair value through profit or loss	8,694	44,357
B01800	Acquisition of affiliates	(20,085)	-
B02300	Net cash inflow from dispossessed subsidiaries	56,682	-
B02700	Purchase of real estate, plant, and equipment	(271,477)	(165,309)
B02800	Disposal of real estate, plant, and equipment	21,810	526,498
B03700	Refundable deposits paid	(1,463)	(1,884)
B04500	Purchase of intangible asset	(7,772)	(8,667)
B07100	Increases Prepayments for business facilities	(54,830)	-
B06100	Decreases in finance lease receivables	6,250	6,147
B07500	Interest received	<u>7,862</u>	<u>4,358</u>
BBBB	Net cash generated from/(used in) investing activities	<u>(293,659)</u>	<u>428,271</u>
	Cash flows from financing activities		
C00100	Increases in short-term borrowings	161,881	-
C00200	Decrease in short-term borrowings	-	(192,654)
C01200	Proceeds from issuance of convertible bonds	1,602,305	694,436
C01300	Repayments of bonds	(200)	(595,016)
C01700	Repayment of long-term loan	-	(350,000)
C03000	Guarantee deposits received	-	2,579
C03100	Guarantee deposits received return	(64)	-
C04020	Cash payments for the principal portion of the lease liability	(56,947)	(57,516)
C04500	Dividend paid to shareholders	(271,628)	(118,680)
C04900	Payments for buy-back of ordinary shares	-	(38,469)
CCCC	Net cash (outflow) inflow from fundraising activities	<u>1,435,347</u>	<u>(655,320)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(11,203)</u>	<u>15,760</u>
EEEE	Net increase in cash and cash equivalents	1,752,596	697,667
E00100	Cash and cash equivalents at beginning of year	<u>1,639,999</u>	<u>942,332</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 3,392,595</u>	<u>\$ 1,639,999</u>

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

Chairman: Hsu, Chi-Feng
 Manager: Eu, Ricky
 Accounting Supervisor: Chien, Yi-Ling

Attachment 5. 2021 Annual Profit Distribution Table

Lemtech Holdings Co., Limited Annual Profit Distribution Table 2021

Unit: NTD

Item	Amount
Opening undistributed earnings (2021.01.01)	711,626,399
Less: Adjusted retained earnings for investments accounted for using the equity method	
Less: Treasury Stock Retired	
Add: 1Q21Net profit after tax	158,396,069
Add: 2Q21Net profit after tax	110,925,927
Add: 3Q21Net profit after tax	136,251,318
Add: 4Q21Net profit after tax	60,145,268
Less: 1Q21Special reserve	(22,774,415)
Less: 2Q21Special reserve	(25,370,409)
Less: 3Q21Special reserve	(16,772,371)
Less: 4Q21Special reserve	31,173,080
Earnings to be distributed	1,143,600,866
Less:1Q21Cash Dividends to Common Share Holders	(54,376,980)
Less:2Q21 Cash Dividends to Common Share Holders	(54,376,980)
Less:3Q21 Cash Dividends to Common Share Holders	(62,520,775)
Less:4Q21 Cash Dividends to Common Share Holders	(62,520,775)
Closing undistributed earnings	909,805,356

Chairman: Hsu, Chi-Feng
 Manager: Eu, Ricky
 Accounting Supervisor: Chien, Yi-Ling

Attachment 6. Comparison Table of the "Memorandum and Articles of Association" before and after the Amendments

Amended Content	Original Content	Explanations
<p>Article3 (Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting</p>	<p>Article 3 (Convening shareholders meetings and shareholders meeting notices) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors. This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders</p>	<p>1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd." 2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>

Amended Content	Original Content	Explanations
<p>or before 15 days before the date of the special shareholders meeting.</p> <p><u>However, if the company held an ordinary general meeting of shareholders in the most recent fiscal year, and the shareholder register records that the total shareholding ratio of foreign capital and capital from mainland China is more than 30%, the transmission of the electronic file shall be completed 30 days before the ordinary general meeting of shareholders.</u></p> <p>Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.</p> <p><u>This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u></p> <p><u>For physical shareholders meetings, to be distributed on-site at the meeting.</u></p> <p><u>For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u></p> <p><u>For virtual-only shareholders</u></p>	<p>meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as <u>being distributed on-site at the meeting place.</u></p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the</p>	

Amended Content	Original Content	Explanations
<p><u>meetings, electronic files shall be shared on the virtual meeting platform.</u></p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.</p> <p>Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders</p>	<p>shareholders meeting. None of the above matters may be raised by an extraordinary motion. <u>Its main content may be placed on the website designated by the securities regulatory authority or the company, and its website should be stated in the notice.</u></p> <p>Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items</p>	

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

Amended Content	Original Content	Explanations
<p>and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.</p> <p>Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>		
<p>Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this</p>	<p>Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this</p>	<p>1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.".</p> <p>2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250</p>

Amended Content	Original Content	Explanations
<p>Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights <u>by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</p>	<p>dated March 8, 111.</p>
<p>Article 5 (Principles determining the time and place of a shareholders meeting)</p> <p>The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders</u></p>	<p>Article 5 (Principles determining the time and place of a shareholders meeting)</p> <p>The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	<ol style="list-style-type: none"> 1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.". 2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.

Amended Content	Original Content	Explanations
<u>meeting.</u>		
<p>Article 6 (Preparation of documents such as the attendance book)</p> <p>This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p> <p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those</p>	<p>Article 6 (Preparation of documents such as the attendance book)</p> <p>This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.</p> <p>The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.</p> <p>Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign,</p>	<ol style="list-style-type: none"> 1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd." 2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.

Amended Content	Original Content	Explanations
<p>showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	<p>or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	
<p>Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</p> <p>To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice: How shareholders attend the virtual meeting and exercise their rights.</p>	<p>Article 6-1 (Addition)</p>	<p>1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.".</p> <p>2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250</p>

Amended Content	Original Content	Explanations
<p>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</p> <p>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</p> <p>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that</p>		<p>dated March 8, 111.</p>

Amended Content	Original Content	Explanations
<p>shareholders meeting. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p>		
<p>Article 8(Documentation of a shareholders meeting by audio or video) This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting</u></p>	<p>Article 8 (Documentation of a shareholders meeting by audio or video) This Corporation shall record the proceedings of a shareholders meeting in their entirety in audio or video and retain the recording for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>	<p>1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd." 2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>

Amended Content	Original Content	Explanations
<p><u>from beginning to end.</u></p> <p><u>The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u></p>		
<p>Article 9</p> <p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chair shall call the meeting to order at the appointed meeting time and <u>disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.</u></p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the</p>	<p>Article 9</p> <p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed and the number of shares of voting rights are exercised in writing or electronically.</p> <p>The chairperson 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 chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in</p>	<p>1.Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.".</p> <p>2.Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>

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<p>quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.</p> <p>If, prior to conclusion of the meeting, the attending shareholders represent more than half of the total number of issued shares, the chairperson may resubmit the tentative resolutions for a vote at the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	
<p>Article 11 (Shareholder speech) Before speaking, an attending</p>	<p>Article 11 (Shareholder speech) Before speaking, an attending</p>	<p>1.Amend the text according to the reference example</p>

Amended Content	Original Content	Explanations
<p>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.</p> <p>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.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>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.</p> <p>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.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.".</p> <p>2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>

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<p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u></p>		
<p>Article13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore</p>	<p>Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.</p> <p>When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore</p>	<ol style="list-style-type: none"> 1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.". 2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.

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<p>advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by</p>	<p>advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by</p>	

Amended Content	Original Content	Explanations
<p>appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p>	<p>appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p>When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.</p>	

Amended Content	Original Content	Explanations
<p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p> <p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within</u></p>	<p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p>	

Amended Content	Original Content	Explanations
<p><u>the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
<p>Article 14(Election of directors and supervisors)</p> <p>The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, <u>and the names of directors and supervisors not elected and number of votes they received.</u></p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of</p>	<p>Article 14(Election of directors and supervisors)</p> <p>The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>1.Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.".</p> <p>2.Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>

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<p>the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>		
<p>Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of this Corporation.</p> <p>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the</p>	<p>Article 15 Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the termination of the meeting. The production and distribution of the meeting minutes may be effected by electronic means. The distribution of the meeting minutes as described in the preceding paragraph can be done through a public announcement on the Market Observation Post System by the company. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including voting rights calculated). When there are elections of directors and supervisors, the voting rights won by all candidates must be disclosed. The meeting minutes shall be retained for the duration of the existence of the company.</p>	<p>Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.".</p> <p>2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>

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<p>shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</p> <p><u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online</u></p>		
<p>Article 16 (Public disclosure)</p> <p>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and <u>the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes</u></p>	<p>Article 16 (Public disclosure)</p> <p>On the day of a shareholders' meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.</p> <p>If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the company shall upload the content of such</p>	<p>1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.".</p> <p>2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>

Amended Content	Original Content	Explanations
<p><u>before the meeting starts, and keep this information disclosed until the end of the meeting.</u></p> <p><u>During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></p> <p><u>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</u></p>	<p>resolution to the MOPS within the prescribed time period.</p>	
<p>Article 19 (<u>Disclosure of information at virtual meetings</u>)</p> <p><u>In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u></p>	<p>Article 19(Addition)</p>	<p>1.Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd.".</p> <p>2.Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>
<p><u>Article20</u> (<u>Location of the chair and secretary of virtual-only</u></p>	<p>Article 20(Addition)</p>	<p>1. Amend the text according to the reference example</p>

Amended Content	Original Content	Explanations
<p><u>shareholders meeting)</u> <u>When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u></p>		<p>of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd." 2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>
<p><u>Article21</u> <u>(Handling of disconnection)</u> <u>In the event of a virtual shareholders meeting, this Corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall</u></p>	<p>Article 21(Addition)</p>	<p>1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd." 2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>

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<p><u>be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u></p> <p><u>During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting</u></p>		

Amended Content	Original Content	Explanations
<p><u>cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</u></p> <p><u>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u></p> <p><u>When postponing or resuming a meeting according to the second paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.</u></p> <p><u>For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of</u></p>		

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<p><u>Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u></p>		
<p>Article22 (<u>Handling of digital divide</u>) <u>When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u></p>	<p>Article 22(Addition)</p>	<p>1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd." 2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>
<p>Article23 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>Artcile 19 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>1. Amend the text according to the reference example of the "Rules of Procedure for the Shareholders' Meeting of XX Co., Ltd." 2. Amended in accordance with the Taiwan Stock Exchange's Letter No. 1110004250 dated March 8, 111.</p>

Attachment 7. Comparison Table of the "Operational Procedures Governing the Acquisition and Disposal of Assets " before and after the Amendments

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<p>Article 5 Evaluation Process The price of the acquisition or disposal of assets by the Company are determined as and with reference to the following:</p> <ol style="list-style-type: none"> 1. (Skip) 2. The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company's most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the paid-in capital or NTD300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. However, exceptions are made if the marketable securities are with a quote in an active market or it is otherwise regulated by the Financial Supervisory Commission. 3. In the event that the transaction amount for acquiring or disposing of real property, equipment, reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a 	<p>Article 5 Evaluation Process The price of the acquisition or disposal of assets by the Company are determined as and with reference to the following:</p> <ol style="list-style-type: none"> 1. (Skip) 2. The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company's most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the paid-in capital or NTD300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. <u>The CPA that needs to adopt the report of an expert shall have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 published by the Research and Development Foundation.</u> <p>However, exceptions are made if the marketable securities are with a quote in an active market or it is otherwise regulated by the Financial Supervisory Commission.</p> <ol style="list-style-type: none"> 3. In the event that the transaction amount for acquiring or disposing of real property, 	<p>In accordance with the Financial Supervisory Commission's January 28, 2022 letter of Jin Guan Zheng Fa Zi No. 1110380465 to amend the "Operational Procedures Governing the Acquisition and Disposal of Assets by Public Companies".</p>

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<p>professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment held for business use.</p> <p>(1) If the transaction price is determined by referring to an attributive price, a specific price, or a special price for a good cause, the transaction should be presented to the board of directors for resolutions. The changes in trading conditions should be processed the same.</p> <p>(2) The transaction amounted to NT\$1 billion or more should be appraised by two or more professional appraisers.</p> <p>(3) If the professional appraiser's appraisal result falls under one of the following circumstances, except for the valuation of the acquired asset is higher than the transaction amount or the valuation of the disposed asset is lower than the transaction amount, a CPA should be contracted to have it processed with an opinion issued on the reasons for the difference and the adequacy of the transaction price:</p> <p>1. The spread between the appraisal result and the transaction amount exceeds 20%.</p> <p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction</p>	<p>equipment, reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment held for business use.</p> <p>(1) If the transaction price is determined by referring to an attributive price, a specific price, or a special price for a good cause, the transaction should be presented to the board of directors for resolutions. The changes in trading conditions should be processed the same.</p> <p>(2) The transaction amounted to NT\$1 billion or more should be appraised by two or more professional appraisers.</p> <p>(3) If the professional appraiser's appraisal result falls under one of the following circumstances, except for the valuation of the acquired asset is higher than the transaction amount or the valuation of the disposed asset is lower than the transaction amount, a CPA should be contracted to have it processed <u>in accordance with the Statement of Auditing Standards (SFAS) No. 20 of the Accounting Research and Development Foundation</u> with an</p>	

Amended Content	Original Content	Explanations
<p>amount.</p> <p>(4) Where a professional valuation is used, the valuer's report shall be dated no further than 3 months from the contract date. However, if the report pertains to the same government-declared value and is no more than six months old, the Company may still base its decisions on the report, provided that an opinion letter is obtained from the original valuer.</p> <p>4. The Company's acquisition or disposal of membership card or intangible assets for an amount exceeding 20% of the paid-in capital or NTD300 million, except for transactions with government agencies, should have a CPA contracted to express an opinion on the reasonableness of the price prior to the date of the event.</p> <p>5. (Skip)</p> <p>6. (Skip)</p> <p>7. For the appraisal report or the opinions obtained from the CPAs, attorney, or security underwriter by the Company, the professional appraisers and their appraising personnel, CPAs, attorneys, security underwriters, and the trade parties must be not be related.</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet</p>	<p>opinion issued on the reasons for the difference and the adequacy of the transaction price:</p> <ol style="list-style-type: none"> 1. The spread between the appraisal result and the transaction amount exceeds 20%. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(4) Where a professional valuation is used, the valuer's report shall be dated no further than 3 months from the contract date. However, if the report pertains to the same government-declared value and is no more than six months old, the Company may still base its decisions on the report, provided that an opinion letter is obtained from the original valuer.</p> <p>4. The Company's acquisition or disposal of membership card or intangible assets for an amount exceeding 20% of the paid-in capital or NTD300 million, except for transactions with government agencies, should have a CPA contracted to express an opinion on the reasonableness of the price prior to the date of the event. <u>The CPA should have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 published by the Research and Development Foundation.</u></p> <ol style="list-style-type: none"> 5. (Skip) 6. (Skip) 7. For the appraisal report or the opinions obtained from the CPAs, 	

Amended Content	Original Content	Explanations
<p>the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of the industry associations</u> to which they belong and with the following provisions: <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 	<p>attorney, or security underwriter by the Company, the professional appraisers and their appraising personnel, CPAs, attorneys, security underwriters, and the trade parties must be not be related.</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional 	

Amended Content	Original Content	Explanations
<p>2. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u> and reasonable, and that they have complied with applicable laws and regulations.</p> <p>8. (Skip)</p> <p>9. (Skip)</p>	<p>appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph to which they belong and with the following provisions:</p> <p>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</p> <p>2. When <u>auditing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>completeness and accuracy</u> of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>accurate</u> and reasonable, and that they have complied with applicable laws and regulations.</p> <p>8. (Skip)</p> <p>9. (Skip)</p>	

Amended Content	Original Content	Explanations
<p>Article <u>7</u> Administration Process The authorization limits, level of approval, and processing unit, and transaction procedures of the acquisition or disposal of assets by the Company are as below: I. Authorization Limits and Level of Approval The Company's Board of Directors has authorized the Chairman to approve the transactions not exceeding the limits set forth in Article <u>6</u> of the Procedures as follows: (1) When the Company acquires or disposes of any securities, real estate and equipment, or other assets 1. If the transaction amount does not exceed NT\$50 million, the Chairman authorizes the President to approve and report afterwards. 2. If the transaction amount does not exceed NT\$100 million, the Board of Directors authorizes the Chairman to grant the preliminary approval, and report to the nearest Board meeting for ratification. 3. If the transaction amount exceeds NT\$100 million, the transaction shall be approved by more than one half of the Audit Committee, and submitted to the Board of Directors for resolution. (2) When the Company acquires or disposes of any membership 1. If the transaction amount does not exceed NT\$3 million, the Chairman authorizes the</p>	<p>Article <u>6</u> Administration Process The authorization limits, level of approval, and processing unit, and transaction procedures of the acquisition or disposal of assets by the Company are as below: I. Authorization Limits and Level of Approval The Company's Board of Directors has authorized the Chairman to approve the transactions not exceeding the limits set forth in Article <u>7</u> of the Procedures as follows: (1) When the Company acquires or disposes of any securities, real estate and equipment, or other assets 1. If the transaction amount does not exceed NT\$50 million, the Chairman authorizes the President to approve and report afterwards. 2. If the transaction amount does not exceed NT\$100 million, the Board of Directors authorizes the Chairman to grant the preliminary approval, and report to the nearest Board meeting for ratification. 3. If the transaction amount exceeds NT\$100 million, the transaction shall be approved by more than one half of the Audit Committee, and submitted to the Board of Directors for resolution. (2) When the Company acquires or disposes of any membership 1. If the transaction amount does not exceed NT\$3 million, the Chairman authorizes the</p>	<p>In accordance with the provisions of the "Operational Procedures Governing the Acquisition and Disposal of Assets by Public Companies", the article was updated and added "its right-of-use assets".</p>

Amended Content	Original Content	Explanations
<p>President to approve and report afterwards.</p> <p>2. If the transaction amount does not exceed NT\$6 million, The Board of Directors authorizes the Chairman to grant the preliminary approval, and report to the nearest Board meeting for ratification.</p> <p>3. If the transaction amount exceeds NT\$6 million, the transaction shall be approved by more than one half of the Audit Committee, and submitted to the Board of Directors for resolution.</p> <p>(3)-(5)(Skip) II. (Skip)</p>	<p>President to approve and report afterwards.</p> <p>2. If the transaction amount does not exceed NT\$6 million, The Board of Directors authorizes the Chairman to grant the preliminary approval, and report to the nearest Board meeting for ratification.</p> <p>3. If the transaction amount exceeds NT\$6 million, the transaction shall be approved by more than one half of the Audit Committee, and submitted to the Board of Directors for resolution.</p> <p>(3)-(5)(Skip) II. (Skip)</p>	
<p>Article <u>6</u> Transaction Limits In addition to the acquisition of operating assets, the Company and each subsidiary may invest and purchase non-operating real estate or <u>right-of-use assets</u> or securities within the following trading limits:</p> <p>1. For the acquisition of any non-operating real estate by the Company, the total amount shall not exceed 40 percent of the Company's net worth in the latest financial report.</p> <p>For the acquisition of any non-operating real estate by any subsidiary, the total amount shall not exceed 20 percent of the Company's net worth in the latest financial report.</p> <p>2-3(Skip)</p>	<p>Article <u>7</u> Transaction Limits In addition to the acquisition of operating assets, the Company and each subsidiary may invest and purchase non-operating real estate or securities within the following trading limits:</p> <p>1. For the acquisition of any non-operating real estate by the Company, the total amount shall not exceed 40 percent of the Company's net worth in the latest financial report.</p> <p>For the acquisition of any non-operating real estate by any subsidiary, the total amount shall not exceed 20 percent of the Company's net worth in the latest financial report.</p> <p>2-3(Skip)</p>	<p>In accordance with the provisions of the " Operational Procedures Governing the Acquisition and Disposal of Assets by Public Companies ", the article was updated, "its right-of-use asset" was added, and the text was slightly adjusted.</p>
<p>Article 8 Announcement and reporting procedures</p>	<p>Article 8 Announcement and reporting procedures</p>	<p>In accordance with the Financial Supervisory</p>

Amended Content	Original Content	Explanations
<p>I. The Company's acquisition or disposal of assets in any of the following circumstances. It should be announced and reported in the FSC website within two days from the date of the event in accordance with the nature and the prescribed format.</p> <p>(1)-(3)(Skip)</p> <p>(4) The assets acquired or disposed of fall within the category of business equipment, and the counterparties in the transactions are not related parties and the amount of transactions meet any of the following requirements:</p> <p>1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>(5)-(6)(Skip)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. However, the following conditions are not subject to this restriction:</p> <p>1. <u>Buying and selling domestic government bonds or foreign government bonds with a credit</u></p>	<p>I. The Company's acquisition or disposal of assets in any of the following circumstances. It should be announced and reported in the FSC website within two days from the date of the event in accordance with the nature and the prescribed format.</p> <p>(1)-(3)(Skip)</p> <p>(4) The assets acquired or disposed of fall within the category of business equipment, and the counterparties in the transactions are not related parties and the amount of transactions meet any of the following requirements:</p> <p>1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p><u>The aforementioned regulations regarding the transaction amount with a paid-in capital of NT\$10 billion are calculated based on the equity attributable to the owners of the company NT\$20 billion.</u></p> <p>(5)-(6)(Skip)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in</p>	<p>Commission's January 28, 2022 letter of Jin Guan Zheng Fa Zi No. 1110380465 to amend the "Operational Procedures Governing the Acquisition and Disposal of Assets by Public Companies".</p>

Amended Content	Original Content	Explanations
<p><u>rating not lower than my country's sovereign rating.</u></p> <p>2. Where the company specializes in the investment profession, any securities traded through domestic and overseas exchange or through securities firms, <u>foreign bond</u> or ordinary corporate bonds and ordinary bank debentures without equity attribute subscribed in the domestic primary market, or securities subscribed by a securities firm as part of its underwriting service or counseling service for Emerging Stock Market companies as regulated by Taipei Exchange.</p> <p>3. The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises.</p> <p>II-XII(Skip)</p>	<p>capital or NT\$300 million. However, the following conditions are not subject to this restriction:</p> <p>1. Bond trade.</p> <p>2. Where the company specializes in the investment profession, any securities traded through domestic and overseas exchange or through securities firms, or ordinary corporate bonds and ordinary bank debentures without equity attribute subscribed in the domestic primary market, or securities subscribed by a securities firm as part of its underwriting service or counseling service for Emerging Stock Market companies as regulated by Taipei Exchange.</p> <p>3. The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises.</p> <p>II-XII(Skip)</p>	
<p>Article 11 Resolution Process</p> <p>1. (Skip)</p> <p>2. <u>If the company or a subsidiary will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the company's total assets, the company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However,</u></p>	<p>Article 11 Resolution Process</p> <p>1. (Skip)</p> <p>2. The transaction amount in the foregoing paragraph shall be calculated according to Article 8.2. The term "within the preceding year" refers to the year preceding the date of the current transaction. Any proposal that has been approved by the majority of the Audit Committee and the Board of Directors according to these Procedures will not be counted for this</p>	<p>In accordance with the Financial Supervisory Commission's January 28, 2022 letter of Jin Guan Zheng Fa Zi No. 1110380465 to amend the "Operational Procedures Governing the Acquisition and Disposal of Assets by Public</p>

Amended Content	Original Content	Explanations
<p><u>this restriction does not apply to transactions between the company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p>3. The calculation of the transaction amounts <u>referred to in paragraph 1</u> and the preceding paragraph shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the <u>shareholders meeting</u> or board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>4. With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount of NT\$50million and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held 	<p>purpose.</p> <p>3. The Board of Directors authorizes the Chairman to grant the preliminary approval, and report to the nearest Board meeting for ratification, for any acquisition or disposal of any equipment held for operating purposes between the Company and its subsidiaries not exceeding NT\$50 million.</p> <p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. 4. When reported to the Board for discussion in accordance with the paragraph referred to above, should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, 	<p>Companies".</p>

Amended Content	Original Content	Explanations
<p>for business use.</p> <p>5. Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p>	<p>should be stated in the minutes of the Board meeting.</p>	
<p>Article 26 Other Information After public disclosure of the information, if any company participating in the merger, demerger, acquisition or share transfer intends further to carry out a merger, demerger, acquisition or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition or share transfer, except where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another</p>	<p>Article 26 Other Information After public disclosure of the information, if any company participating in the merger, demerger, acquisition or share transfer intends further to carry out a merger, demerger, acquisition or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition or share transfer, except where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another</p>	<p>In accordance with the provisions of the "Operational Procedures Governing the Acquisition and Disposal of Assets by Public Companies", the text has been slightly adjusted.</p>

Amended Content	Original Content	Explanations
<p>shareholders' meeting to resolve the matter anew.</p> <p>For the company that is not a public company involved in a merger, spins-off, acquisition, or assignment of shares, it should have a contract signed with the Company in accordance with <u>Article 21 to Article 23</u>, and Article 26.</p>	<p>shareholders' meeting to resolve the matter anew.</p> <p>For the company that is not a public company involved in a merger, spins-off, acquisition, or assignment of shares, it should have a contract signed with the Company in accordance with Article 22, Article 23, and Article 26.</p>	

Attachment 8. Comparison Table for Amended and Restated Memorandum and Articles of Association

Article Number	Amended Articles	Current Articles	Explanations
Article 23	The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year. The annual general meeting shall be convened by the Board. The shareholder's meeting may be held through a video conference or other methods promulgated by the competent authorities of The Company Act of the R.O.C..	The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year. The annual general meeting shall be convened by the Board.	Article 172-2 of the Company Law was amended on December 29, 2021, allowing public companies to hold shareholder's meetings by means of video conferences. This paragraph is added, to provide a channel for shareholders to facilitate their participation in meetings in accordance with the policies promoted by competent authorities and the needs of the digital age.
Article 26	(1) Any Member(s) holding at least three percent (3%) of the outstanding Shares of the	(1) Any Member(s) holding at least three percent (3%) of the outstanding Shares of the	This paragraph is deleted in

	<p>Company for a period of one consecutive year or a longer time may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may, after obtaining an approval from the competent authority, convene the general meeting.</p> <p>(2) Any Member(s) holding more than one-half of the outstanding Shares of the Company for a period of three consecutive months or a longer time may, convene an extraordinary general meeting. The calculation of the holding period and the number of Shares held by the abovementioned Member(s) shall be based on the holding at the time when share transfer registration is suspended.</p>	<p>Company for a period of one consecutive year or a longer time may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may, after obtaining an approval from the competent authority, convene the general meeting.</p> <p>(2) Any Member(s) holding more than one-half of the outstanding Shares of the Company for a period of three consecutive months or a longer time may, convene an extraordinary general meeting. The calculation of the holding period and the number of Shares held by the abovementioned Member(s) shall be based on the holding at the time when share transfer registration is suspended.</p> <p>(3) Subject to the condition that the Board does not or is not able to convene a general meeting, the Independent Director of the Audit Committee may, for the benefit of the Company, convene a general meeting when it is deemed necessary.</p>	<p>accordance with the Checklist for Protecting Shareholders of Foreign Issuers amended on May 14,2021.</p>
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Article 31	During the Relevant Period, the Company shall prepare a manual for each general meeting and the relevant materials, which will be made available to all Members, and shall be made into electronic files, and published on the website designated by the Commission , the TPEX or the TWSE thirty (30) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.	During the Relevant Period, the Company shall prepare a manual for each general meeting and the relevant materials, which will be made available to all Members, and shall be published on the website designated by the Commission , the TPEX or the TWSE twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.	This paragraph is revised in accordance with the Checklist for Protecting Shareholders of Foreign Issuers amended on March 11,2022.
Article 32	No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. In case the general meeting proceeds via video conference, the shareholders taking part in such a meeting shall be deemed to have attended the meeting in person. Save as otherwise provided by these Articles, the Members representing more than one-half of all total outstanding Shares present in person or by proxy and entitled to vote shall be a quorum for all purposes.	No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, the Members representing more than one-half of all total outstanding Shares present in person or by proxy and entitled to vote shall be a quorum for all purposes.	This paragraph is added in accordance with the Checklist for Protecting Shareholders of Foreign Issuers amended on March 11,2022.
Article 46	To the extent permitted by the Law, votes may be exercised in writing or by way of electronic transmission. The way of electronic transmission shall be one of the voting methods at the general meeting.	To the extent permitted by the Law, votes may be exercised in writing or by way of electronic transmission. The way of electronic transmission shall be one of the voting methods at the general meeting. If the Board	This paragraph is deleted in accordance with the Checklist for Protecting

		resolves to hold a general meeting outside Taiwan, the Company must allow the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission.	Shareholders of Foreign Issuers amended on March 11,2022.
Article 94-2	<p>In the event that there is earnings surplus per the annual accounting result, such surplus shall first be used to pay tax, offset losses of previous years, and then be set aside as Special Reserve (if required), and the remainder shall be allocated first as the dividends of the Preferred Shares ("Preferred Dividends") payable in such financial year. The remaining surplus combining accumulated undistributed earnings in the previous years as the distributable earnings surplus shall be distributed to Members as cash dividend and/or stock dividend, pursuant to the distribution proposal made by the Board and to be approved by the general meeting.</p> <p>When the company allocate Special Reserve according to R. O. C. Laws, in the event that the amount of the cumulative amount of net increase in investment properties in fair value in a preceding period(s) and the cumulative net amount of other deductions from equity in a preceding period(s) is insufficient to be allocated, the company shall allocate an amount of special</p>	<p>In the event that there is earnings surplus per the annual accounting result, such surplus shall first be used to pay tax, offset losses of previous years, and then be set aside as Special Reserve (if required), and the remainder, aside from the amount which the Board resolved not to distribute and be reserved as retained earnings, shall be distributed to Members as cash dividend and/or stock dividend, pursuant to the distribution proposal made by the Board and to be approved by the general meeting.</p> <p>The dividend policy of the Company is in consideration of the stable development, sustainable development, funding needs, sound financial structure and protection of shareholder interests of the Company and therefore the ratio of dividends to Members shall not be less than 10% of the distributable earnings surplus, and the distribution can be made in cash or in stock where the amount of cash dividends distributed thereupon shall not be less than 50% of the total amount of dividends. In the</p>	<p>This paragraph is added in accordance with the 31 March 2021 FSC Order No. Financial-Supervisory-Securities-Corporate-109015002 2, the 31 March 2021 FSC Order No. Financial-Supervisory-Securities-Corporate-109015002 21 and Article 41, paragraph 1 of the Securities and Exchange Act.</p>

	<p>reserve equal to the amount allocated to undistributed earnings for the preceding period before distributions of surplus profits. If there remains any insufficiency, the amount of insufficiency shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.</p> <p>The dividend policy of the Company is in consideration of the stable development, sustainable development, funding needs, sound financial structure and protection of shareholder interests of the Company and therefore the ratio of dividends to Members shall not be less than 10% of the distributable earnings surplus, and the distribution can be made in cash or in stock where the amount of cash dividends distributed thereupon shall not be less than 50% of the total amount of dividends. In the event that the Company has no accumulated loss, the Company may consider the finance, business and operation aspects of the Company and distribute all or part of the Legal Reserve and Capital Reserve pursuant to the Law and regulations prescribed by the competent authorities.</p>	<p>event that the Company has no accumulated loss, the Company may consider the finance, business and operation aspects of the Company and distribute all or part of the Legal Reserve and Capital Reserve pursuant to the Law and regulations prescribed by the competent authorities.</p>	
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Attachment 9. Contents of Removing Restrictions on Competing with the Company by Directors

Title	Name	Name of the company serving concurrently and position	Main business
Chairman	Hsu, Chi-Feng	Total Vantage Technology Limited Taiwan Branch (BELIZE) Owner	International Trade Wholesale and retail of electronic materials
Independent Director	Chi-Chuan Wang	Cryomax Cooling System Corp. Independent Director	Car water tank Car condenser

Appendix 1. Memorandum and Articles of Association

THE COMPANIES ACT (REVISED)
COMPANY LIMITED BY SHARES
ELEVENTH AMENDED AND RESTATED MEMORANDUM OF
ASSOCIATION OF
Lemtech Holdings Co., Limited

(as adopted by a Special Resolution passed on 5 July, 2021)

1. The name of the company is Lemtech Holdings Co., Limited.
2. (1) The registered office of the Company shall be at the offices of Quality Corporate Services Ltd., Suite 102, Cannon Place, P.O. Box 712, North Sound Rd., Grand Cayman, KY1-9006 Cayman Islands, or at such other place within the Cayman Islands as the Board may from time to time decide.
(2) The Company may set up branch offices as deemed necessary for its business operations.
(3) The establishment, dissolution and change of status of branches as referred to in the preceding paragraph shall be decided by the Board from time to time.
3. Subject to the following provisions of this Memorandum of Association, the objects for which the Company is established are unrestricted.
4. Subject to the following provisions of this Memorandum of Association, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law of the Cayman Islands (as amended from time to time).
5. Nothing in this Memorandum of Association shall permit the Company to carry on a business for which a licence is required under the laws of the Cayman Islands unless duly licenced.
6. The Company shall not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside

the Cayman Islands; provided that nothing in this clause shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

7. The liability of each member is limited to the amount from time to time unpaid on such member's shares.
8. The share capital of the Company is NT\$1,000,000,000 divided into 100,000,000 shares of a nominal or par value of NT\$10 each. provided always that subject to the provisions of the Companies act (revised) and the Articles of Association the Company shall have power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

The Company may invest in other enterprises as deemed necessary for its business operations, and may, upon the approval of the Board, act as a shareholder with limited liability of another company, and its total amount of investments in other enterprises may exceed 40% of the amount of its own paid-up capital without being subject to the requirement set out in Paragraph 2, Article 13 of Company Act of the R.O.C.

THE COMPANIES ACT (REVISED)
COMPANY LIMITED BY SHARES
ELEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION
OF
Lemtech Holdings Co., Limited

(as adopted by a Special Resolution passed on 5 July, 2021)

INTERPRETATION

1. The Regulations contained or incorporated in Table A of the First Schedule of the Companies act (revised) of the Cayman Islands (as amended from time to time) shall not apply to this Company.

2. (1) In these Articles the following terms shall have the meanings set opposite unless the context otherwise requires:

Applicable Listing Rules	the relevant laws, regulations, rules and code as amended, from time to time, applicable as a result of the original and continued trading or listing of any Shares on any Taiwan stock exchange or securities market, including, without limitation the relevant provisions of Securities and Exchange Act of the R.O.C., Company Act of the R.O.C., the Acts Governing Relations Between Peoples of the Taiwan Area and the Mainland Area of the R.O.C., or any similar statute and the rules and regulations of the R.O.C. authorities thereunder, and the rules and regulations promulgated by the Financial Supervisory Commission, the Taipei Exchange or the Taiwan Stock Exchange;
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Articles	these Articles of Association of the Company, as amended or substituted from time to time by Special Resolution;
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Audit Committee	has the meaning set forth in Article 69;
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Remuneration Committee	has the meaning set forth in Article 65-1;
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Board	the board of Directors of the Company comprising all the Directors;
Business Day	means a day (other than a Saturday or Sunday) on which banks are generally open in Taiwan for normal business;
Capital Reserve	means (1) the Share Premium Account, (2) income from endowments received by the Company and (3) other items required to be treated as Capital Reserve pursuant to the Applicable Listing Rules;
Chairman	has the meaning given thereto in Article 63;
Class or Classes	any class or classes of Shares as may from time to time be issued by the Company;
Commission	Financial Supervisory Commission of the R.O.C. or any other authority for the time being administering the Securities and Exchange Act of the R.O.C.;
Company	Lemtech Holdings Co., Limited;
Consolidation	the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company within the meaning of the Law and the Applicable Listing Rules;
Director	a director of the Company for the time being who collectively form the Board, and "Directors" means 2 or more of them;
Electronic	has the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every

other law incorporated therewith or substituted therefore;

Electronic Communication means transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds (2/3) of the vote of the Board;

Emerging Market the emerging market board of the Taipei Exchange in the R.O.C.;

Financial Statements has the meaning set out in Article 98;

Taipei Exchange or TPEX the Taipei Exchange in the R.O.C.;

Independent Director those Directors appointed as "Independent Directors" pursuant to the requirements of the Applicable Listing Rules;

Juristic Person a firm, corporation, union, association, government agency or other organization which is recognised by the Law and the Applicable Listing Rules as a legal entity;

Law the Companies act (revised) of the Cayman Islands and any amendment or other statutory modification thereof and every other act, order, regulation or other instrument having statutory effect (as amended from time to time) for the time being in force in the Cayman Islands applying to or affecting the Company, the Memorandum of Association and/or these Articles, and where in these Articles any provision of the Law is referred to, the reference is to that provision as modified by any law for the time being in force;

Member or Shareholder a Person who is duly registered as the holder of any

	Share or Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber and “Members” or “Shareholders” means 2 or more of them;
Memorandum of Association	the memorandum of association of the Company, as amended or substituted from time to time;
Merger	the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such company as the surviving company within the meaning of the Law;
Month	a calendar month;
NT\$	New Taiwan Dollars;
Ordinary Resolution	a resolution passed by a simple majority of the Members present at a general meeting who represent more than one-half of the total outstanding Shares of the Company;
Person	any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
Preferred Shares	has the meaning given thereto in Article 4;
Preferred Shareholders	has the meaning given thereto in Article 5;
Preferred Dividends	has the meaning given thereto in Article 5;
Private Placement	has the meaning given thereto in Article 5;
Preferred Dividends	has the meaning given thereto in Article 5;
Private Placement	an offer by the Company of its securities to specific

persons pursuant to the Applicable Listing Rules;

Register	the register of Members of the Company to be maintained at such place within or outside the Cayman Islands;
Registered Office	the registered office of the Company for the time being as required under the Law;
Relevant Period	the period commencing from the date on which any of the securities of the Company registered in the Emerging Market or first become listed on the TPEX, TWSE or any Taiwan stock exchange or securities market to and including the date immediately before the day on which none of such securities are so listed (and so that if at any time listing of any such securities is suspended for any reason whatsoever and for any length of time, they shall nevertheless be treated, for the purpose of this definition, as listed);
R.O.C. or Taiwan	the Republic of China, its territories, its possessions and all areas subject to its jurisdiction;
R.O.C. Courts	the Taiwan Taipei District Court or any other competent courts in the R.O.C.;
R. O. C. Laws	the laws and regulations of the R.O.C., including without limitation to the Applicable Listing Rules;
Seal	the common seal of the Company;
Secretary	any Person for the time being appointed by the Directors to perform any of the duties of the secretary of the Company and including any assistant, deputy, acting or temporary secretary;
Share	a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any

or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;

Share Exchange means that the Company transfers all its issued shares to another company in exchange for shares, cash or other assets of the other company as the consideration for shareholders of the Company;

Share Premium Account the share premium account established in accordance with these Articles and the Law;

Shareholders' Service Agent the agent licensed by the R.O.C. authorities and having its offices in the R.O.C. to provide shareholder services, in accordance with the Applicable Listing Rules, to the Company;

signed includes representation of a signature affixed by mechanical means or an electronic symbol or process;

Special Reserve has the meaning set out in Article 91;

Special Resolution a special resolution of the Company passed in accordance with the Law, being a resolution passed by a majority of not less than two-thirds of Members as, being entitled to do so, vote in person or by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and such general meeting attended by the Members representing more than one-half of the outstanding shares of the Company.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles;

Spin-off an act wherein a transferor company transfers all of its independently operated business or any single independently operated business to an existing or a newly incorporated company as consideration for that existing transferee company or newly incorporated transferee company to issue new shares to the transferor company or to shareholders of the transferor company;

Subordinate Company companies (i) of which a majority of the total outstanding voting shares or the total amount of the capital stock is held by the Company; (ii) in which the Company has a direct or indirect control over the management of the personnel, financial or business operation of that company; (iii) of which a majority of directors in such company are contemporarily acting as directors in the Company; or (iv) of which a majority of the total outstanding voting shares or the total amount of the capital stock of such companies and the Company are held by the same Members; and

TWSE the Taiwan Stock Exchange Corporation.

- (2) Unless the context otherwise requires, expressions defined in the Law and used herein shall have the meanings so defined.
- (3) In these Articles unless the context otherwise requires:
- a. words importing the singular number shall include the plural number and vice-versa;
 - b. words importing the masculine gender shall include the feminine gender and neuter genders;
 - c. a notice provided for herein shall be in writing unless otherwise specified and all reference herein to "in writing" and "written" shall include printing, lithography, photography and other modes of representing or reproducing words in permanent visible form; and
 - d. "may" shall be construed as permissive and "shall" shall be construed as imperative.

(4) Headings used herein are intended for convenience only and shall not affect the construction of these Articles.

SHARES

3. Subject to the Law and these Articles, the Board may, in respect of all Shares for the time being unissued:
 - (1) offer, issue, allot and dispose of such Shares to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine; and
 - (2) grant options with respect to such Shares and issue warrants or similar instruments with respect thereto, in accordance with the provisions of the Law and the Applicable Listing Rules; and, for such purposes, the Board may reserve an appropriate number of Shares for the time being unissued.
- 3-1. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) shall be fixed and determined by Directors.
4. The Company, subject to these Articles including by approval of a Special Resolution adopted at a general meeting in accordance with Article 5, may issue Shares of different classes with rights which are preferential or inferior to those of ordinary Shares issued by the Company (“**Preferred Shares**”) with the approval of a majority of the Board present at a meeting attended by two-thirds or more of the total number of the Directors.
5. The issuance of any Preferred Shares approved pursuant to the preceding Article shall cause to be set forth in these Articles. The rights and obligations of the Preferred Shares include but are not limited to the following terms:
 - (a) The dividend rate of Preferred Shares is capped at 8% per annum on the issue price per share. Cash dividends shall be distributed annually at one time. Once the Company’s audited financial reports have been acknowledged in the annual general meeting, the Board of Directors shall set the record date for the distribution of Preferred Dividends of such financial year. In the year of issuance and redemption of the Preferred Shares, the distribution of Preferred Dividends shall be calculated on the basis of actual number of days the Preferred Shares being outstanding in that year. Except for the foregoing Preferred Dividends, the

holders of the Preferred Shares ("Preferred Shareholders") are not entitled to participate in the distribution of cash or stock dividends derived from earnings or capital reserves;

- (b) The Company has sole discretion on the distribution of Preferred Dividends. In the event that there are no profits or insufficient profits for distributing Preferred Dividends, or due to other necessary considerations, the suspension of distributing Preferred Dividends shall not be deemed as an event of default under any agreements and directions in relation to the issuance of such Preferred Shares. The Preferred Shares issued by the Company shall be non-cumulative preferred shares. Any undistributed Preferred Dividends or shortfalls in Preferred Dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings;
 - (c) Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, any surplus assets of the Company available for distribution to shareholders shall be first distributed to the Preferred Shareholders. All Preferred Shareholders shall rank pari passu and such distribution shall be capped at the respective issue amount;
 - (d) The Preferred Shareholders shall have no voting rights and no rights to vote on election of directors in a general meeting. Notwithstanding the foregoing, the Preferred Shareholders shall have voting rights in a separate meeting of the Preferred Shares in accordance with Article 15;
 - (e) Preferred Shares are not convertible to common shares. Preferred Shareholders have no right to request the Company to redeem the preferred shares they hold; and
 - (f) Preferred Shares have no maturity date. Notwithstanding the foregoing, subject to compliance with the Companies Law, the Company may, upon the approval by the Board of Directors, redeem all or a part of the outstanding issued Preferred Shares, at any time on the next business day after five years of issuance, at the original issue price and on such terms as the Board of Directors may approve. The rights and obligations set forth in the foregoing paragraphs shall remain unchanged to the unredeemed Preferred Shareholders.
- 5-1 The Board of Directors is authorized to determine the name, issuance date and specific issuance terms of Preferred Shares upon actual issuance after considering the situation of capital market and the willingness of investors in accordance with the Articles, applicable public company rules, Companies Law and other applicable laws and regulations.
6. (1) The issue of new ordinary Shares in the Company shall be approved by a majority

of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors. The issue of new Shares shall at all times be subject to the sufficiency of the authorised capital of the Company. The Company shall not issue any unpaid Shares or partial paid-up Shares.

- (2) The Company shall not convert the Shares into par value shares if the Company chooses to issue no par value shares.
7. The Company may issue Shares without printing share certificates. Any share certificate of the Company, if any, shall not be the bearer certificate.
8. During the Relevant Period, if at anytime the Board resolves to issue new Shares :
 - (a) Upon each issuance of new Shares, the Board may reserve not more than fifteen percent (15%) of the new Shares for subscription by the employees of the Company, as determined by the Board in its reasonable discretion;
 - (b) The Company, unless otherwise resolved by Ordinary Resolution, shall after reserving the portion of Shares for subscription by its employees and for public offering in the R.O.C. pursuant to these Articles, first offer such remaining new Shares, by a public announcement according to the Applicable Listing Rules and a written notice to each existing Member for their subscription in proportion to the number of Shares held by it;
 - (c) The Company shall state in such written notice that if a subscriber delays payment for shares as provided in the preceding paragraph, the Company shall fix a period of not shorter than one month and call upon such subscriber to pay up, declaring that in case of default of payment within the stipulated period his right shall be forfeited. After the Company has made the aforesaid call, the subscriber who fails to pay accordingly shall forfeit his right and the shares subscribed to by him shall be otherwise sold. The Company may still be claimed against such defaulting subscriber for compensation for loss or damage, if any;
 - (d) Where any fractional Share held by a Member is insufficient to subscribe for one new Share, the fractional Shares being held by several Members may be combined for joint subscription of one or more integral new Shares or for subscription of new Shares in the name of a single Member;
 - (e) New Shares left unsubscribed by existing Members may be offered for public issuance or the Board may be authorised to offer such Shares for subscription by specific Persons through negotiation; and
 - (f) The right to subscribe for new Shares, except those reserved for subscription by employees, may be separated from the rights in original Shares and transferable independently.
9. The employees' and Members' right to subscribe for new Shares prescribed under the

preceding Article shall not apply in the event that new Shares are issued for the following purpose:

- (a) in connection with a Merger/Consolidation, the Spin-off of the Company, or pursuant to any reorganization of the Company;
- (b) in connection with meeting the Company's obligation under Share subscription warrants and/or options granted to the employees;
- (c) in connection with meeting the Company's obligation under corporate bonds which are convertible bonds or vested with rights to acquire Shares;
- (d) in connection with meeting the Company's obligation under Share subscription warrant or Preferred Shares vested with rights to acquire Shares;
- (e) in connection with any Share Exchange entered into by the Company, or
- (f) in connection with any other limitation, prohibition, restriction or exemption under the Applicable Listing Rules or R. O. C. Laws.

10. During the Relevant Period, where the Company increases its issued share capital in cash, the Company shall allocate 10% of the total amount of the new Shares to be issued for offering in the R.O.C. to the public unless the Commission, or the TPEx or the TWSE considers the aforementioned public offering unnecessary or inappropriate for the Company to conduct. Provided however, if a percentage higher than the aforementioned 10% is approved by an Ordinary Resolution to be offered, the percentage determined by such resolution shall prevail.
11. Subject to the Applicable Listing Rules, the Company may, upon adoption of a resolution by a majority of the Board present at a meeting of the Board attended by two-thirds or more of the total number of Directors, enter into a share subscription right agreement with its employees whereby the employees may subscribe, within a specific period of time, for a specific number of Shares of the Company. Upon execution of the said agreement, the Company shall issue to each employee a share subscription warrant. The share subscription warrant obtained by any employee of the Company shall be non-assignable, except to the heir(s) of the said employee.
12. (1) The Company may by a Special Resolution reduce its share capital in the manner authorised, and subject to any conditions prescribed, by the Law and the Applicable Listing Rules. During the Relevant Period, a capital reduction shall be effected based on the percentage of shareholding of the Members pro rata, unless otherwise provided for in the Law or the Applicable Listing Rules.
(2) The Company shall, upon adoption of such resolution of capital reduction, prepare a balance sheet and an inventory of property, and then give a notice to each creditor of the Company as well as a public notice of such resolution, and

shall fix a time limit of not less than thirty (30) days within which the creditors may raise their objections, if any, to such resolution.

- (3) The Company may reduce its share capital by using property, in addition to cash, to return capital contributions; the returned property and the offsetable amount for the returned property shall be decided by Ordinary Resolution, and approved by the Member(s) receiving such Property.
 - (4) During the Relevant Period, the Board shall have the value of the returned property and the offsetable amount referred to in the preceding paragraph audited and certified by a certified public accountant in Taiwan prior to the general meeting.
13. During the Relevant Period, any issuance, conversion, capitalisation or cancellation of the Shares or any other equity securities (including but not limited to warrants, options or bonds) shall comply with the Applicable Listing Rules and the Law.
 14. During the Relevant Period, the shareholder services of the Company should comply with the Regulations Governing the Administration of Shareholder Services of Public Companies of the R.O.C.

MODIFICATION OF RIGHTS

15. Whenever the share capital of the Company is divided into different classes of shares, including where Preferred Shares are issued, in addition to a Special Resolution, the special rights attached to any class shall be varied or abrogated with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of such class. To every such separate general meeting and all adjournments thereof, all the provisions of these Articles relating to general meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply.
16. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that Class, be deemed to be materially adversely varied or abrogated by, *inter alia*, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of Shares of any Class by the Company.

REGISTERS

17. The Board shall cause to be kept the Register and, during the Relevant Period, there

shall be entered therein the particulars required under the Law and the Applicable Listing Rules, and the Register shall be made available at its Shareholders' Service Agent's office in the R.O.C.

DELIVERY OF SHARES

18. (1) During the Relevant Period, the Company shall deliver, or shall cause its Shareholders' Service Agent to deliver Shares by book-entry transfer to the subscribers within thirty (30) days from the date such Shares may be issued or delivered pursuant to the Law and the Applicable Listing Rules. The Company shall make a public announcement in accordance with the Applicable Listing Rules prior to the delivery of such Shares.
- (2) For the new Shares to be issued by the Company, the Company may print a consolidated share certificate representing the total number of the new Shares to be issued at the same time of issue, in accordance with the Law, provided that the share certificate to be issued shall be placed under the custody of a centralized securities custody enterprise.

REPURCHASE OF SHARES

19. (1) Upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, the Company may repurchase its own Shares in the manner authorised by the Law and the Applicable Listing Rules. Any Shares so repurchased shall be deemed cancelled immediately.
- (2) The conditions, methods and procedures for repurchase of Shares by the Company according to the preceding Article shall comply with the Law and the Applicable Listing Rules.

TREASURY SHARES

- 19-1. Subject to the Law, the Applicable Listing Rules and these Articles, the Company is authorized to issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or a Shareholder. For so long as the Shares are registered in the Emerging Market or listed on the Taipei Exchange or TWSE, the repurchase of the Shares by the Company shall be subject to the Applicable Listing Rules and the Cayman Islands law.

- 19-2. The Company is authorised to make payments in respect of the redemption of its shares out of the funds lawfully available (including out of capital) in accordance with the Law and the Applicable Listing Rules.
- 19-3. The redemption price of a redeemable Share, or the method of calculation thereof, shall be fixed by the Directors at or before issue of such Share. Subject to these Articles, every share certificate representing a redeemable share shall indicate that the share is redeemable.
- 19-4. Subject to the Applicable Listing Rules and Articles, and with the sanction of an Ordinary Resolution authorising the manner and terms of purchase, the Directors may on behalf of the Company purchase any share in the Company (including a redeemable share) by agreement with the Shareholder or pursuant to the terms of the issue of the share and may make payments in respect of such purchase in accordance with the Law, the Applicable Listing Rules and the Ordinary Resolution authorizing the manner and terms of purchase.
- 19-5. The redemption price or repurchase price may be paid in any manner authorised by the Law and these Articles. A delay in payment of the redemption price or repurchase price shall not affect the redemption or repurchase but, in the case of a delay of more than thirty (30) days, interest shall be paid for the period from the due date until actual payment at a rate which the Directors, after due enquiry, estimate to be representative of the rates being offered by Class A banks in the Cayman Islands for thirty day deposits in the same currency.
- 19-6. The Company shall be entered into the Register as the holder of the Treasury Shares provided that:
the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void;
a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of these Articles or the Law.

FRACTIONAL SHARES

- 19-7. Subject to these Articles, the Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges,

qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one (1) fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

TRANSFER AND TRANSMISSION OF SHARES

20. (1) Subject to the Law and the Applicable Listing Rules, Shares issued by the Company shall be freely transferable, provided that any Share subscribed by the employees of the Company may be subject to transfer restrictions for the period no longer than two years as the Board may determine in their discretion.
 - (2) The Company may restrict its employees from transferring the Shares purchased by the Company and transferred to such employees for a specific period of time, but in no event shall such period exceed two (2) years.
 - (3) The issuance of restricted Shares to employees by the Company shall be approved by one-half of the Members who are entitled to vote, at a general meeting attended by at least two-thirds of the total issued and outstanding Shares of the Company. In the event that the total number of shares present at such general meeting is less than the quorum specified in the preceding sentence, such issuance may be approved by Special Resolution.
 - (4) In the event that the Company issues new Shares during the Relevant Period pursuant to the preceding paragraph, the number of Shares to be issued, the issuing price, the conditions of the issuance, and other related matters shall comply with the Applicable Listing Rules.
21. The Company shall not be obligated to recognize any transfer or assignment of Shares unless the name/title and residence/domicile of the transferor and transferee have been recorded in the Register.
- 21-1. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two (2) or more holders, the survivors or survivor, or the legal personal representatives of the deceased, shall be the only Person recognised by the Company as having any title to the Share.

CLOSING REGISTER OR FIXING RECORD DATE

22. (1) The Board may fix in advance the record date(s) for (a) determining the Members entitled to receive any dividend, distribution or issue; (b) determining the Members entitled to receive notice(s) of, to attend at and to vote at any general meeting(s) (or any adjournment thereof) in person, by proxy, in writing or by way of electronic transmission; and (c) for any other reason needing to ascertain

shareholders ◦

- (2) During the Relevant Period, the Register shall be closed at least for a period of sixty (60) days before the date of each annual general meeting, thirty (30) days before the date of each extraordinary general meeting and five (5) days before the target date for a dividend, bonus or other interest distribution. For the purpose of calculating the abovementioned period, the respective convening date of general meeting or the applicable target date shall be included.
- (3) With respect to the foregoing target dates, the Board shall make public announcement on the website designated by the Commission and the TPEX or TWSE.

GENERAL MEETINGS

23. The Company shall in each year hold a general meeting as its annual general meeting within six months after close of each financial year. The annual general meeting shall be convened by the Board.
24. All general meetings other than annual general meetings shall be called extraordinary general meetings. The Board may, whenever they think fit, convene an extraordinary general meeting of the Company.
25. During the Relevant Period, all general meetings shall be held in the R.O.C.. If a general meeting is to be convened outside Taiwan per the resolution of the Board, the Company shall within two (2) days after the Board adopts such resolution, or, in the event of an extraordinary general meeting convened pursuant to Article 26, after the relevant Shareholders obtained the approval from the competent authority, apply for the approval of the Taipei Exchange or the TWSE.
26. (1) Any Member(s) holding at least three percent (3%) of the outstanding Shares of the Company for a period of one consecutive year or a longer time may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may, after obtaining an approval from the competent authority, convene the general meeting.
- (2) Any Member(s) holding more than one-half of the outstanding Shares of the Company for a period of three consecutive months or a longer time may, convene an extraordinary general meeting. The calculation of the holding period and the number of Shares held by the abovementioned Member(s) shall be based on the holding at the time when share transfer registration is suspended.

- (3) Subject to the condition that the Board does not or is not able to convene a general meeting, the Independent Director of the Audit Committee may, for the benefit of the Company, convene a general meeting when it is deemed necessary.
27. (1) The Board or any authorized convener of the general meeting may require the Company or its Shareholders' Service Agent to provide the Register.
- (2) The Company shall engage a Shareholders' Service Agent within the R.O.C. to handle the administration of such general meeting, including but not limited to, the voting matters.

NOTICE OF GENERAL MEETING

28. (1) At least thirty (30) days notice in writing prior to the scheduled date of any annual general meetings and fifteen (15) days notice in writing prior to the scheduled date of any extraordinary general meeting shall be given to each Member. Every notice shall be exclusive of the day on which it is given and of the day on which the general meeting is to be held. Such notice shall specify the place, the day and the time of meeting and the agenda and the proposals to be resolved at the general meeting. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent from each Member or as permitted by the Law and the Applicable Listing Rules.
- (2) The meeting notices, proxy forms, information pertaining to the proposals for adoption or discussion, or for the election or dismissal of the Director(s), and other matters shall be published thirty (30) days prior to the date of the scheduled general meeting or fifteen (15) days prior to the date of the scheduled extraordinary general meeting.
- (3) If the voting rights at the meeting will be exercised in writing, a printed copy of the materials referred to in the preceding paragraph and a printed ballot shall be delivered to the Members.
29. The following matters shall be specified in the notice of a general meeting with the description of their major content, and shall not be proposed as ad hoc motions; the major content may be posted on the website designated by the Commission, the TPEX or the TWSE or the Company, and such website shall be indicated in the above notice:
- (a) election or discharge of Directors;
 - (b) amendments to the Memorandum of Association and/or these Articles;
 - (c) capital reduction;

- (d) application for the approval of ceasing the Shares to be publicly offered;
 - (e) winding-up, Merger/Consolidation or Spin-off of the Company;
 - (f) entering into, amendment to, or termination of any contract for lease, management by others, or regular joint operation with others of its business in whole;
 - (g) the transfer of the whole or any material part of its business or assets; and
 - (h) taking over another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (i) carrying out a Private Placement of equity securities;
 - (j) granting a waiver to the Director's non-competition obligation;
 - (k) distributing part or all of its dividends or bonus by way of issuance of new Shares; and
 - (l) capitalization of the Legal Reserves and capitalization of the Capital Reserve of the Company, the Share Premium Account of the Company and/or the income from endowments received by the Company as Capital Reserve, by issuing new Shares or cash to its existing Members in proportion to the number of Shares being held by each of them.
30. Except for matters prescribed in the preceding Article, a Member of the Company may raise a proposal for resolution as ad hoc motions at a general meeting, provided that the proposed ad hoc motion shall be limited to a matter directly related to the matters specified in the notice of such general meeting.
31. During the Relevant Period, the Company shall prepare a manual for each general meeting and the relevant materials, which will be made available to all Members, and shall be published on the website designated by the Commission, the TPEX or the TWSE twenty-one (21) days prior to the scheduled date of the relevant annual general meeting and fifteen (15) days prior to the scheduled date of the relevant extraordinary general meeting pursuant to the Applicable Listing Rules.

PROCEEDINGS AT GENERAL MEETING

32. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as otherwise provided by these Articles, the Members representing more than one-half of all total outstanding Shares present in person or by proxy and entitled to vote shall be a quorum for all purposes.
33. (1) The Member(s) holding one percent (1%) or more of the total outstanding Shares of the Company may submit a proposal in writing or by way of electronic

transmission for resolution at an annual general meeting; provided that only one matter shall be allowed in each proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda.

- (2) Prior to the relevant record date, the Company shall give a public notice announcing the place and the period for the Members to submit proposals; and the period for accepting such proposals shall not be less than ten (10) days.
 - (3) The number of words of a proposal to be submitted by a Member shall be limited to not more than three hundred (300) words, and any proposal containing more than 300 words shall not be included in the agenda of the general meeting. The Member who has submitted a proposal shall attend, in person or by a proxy, such general meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
 - (4) Unless any of the following circumstances is satisfied, the Board shall include the proposal submitted by a Member from the agenda:
 - (a) Where the subject (the issue) of the said proposal cannot be settled or resolved by a general meeting;
 - (b) Where the number of shares of the Company held by the proposing Member is less than one percent (1%) of the total outstanding Shares on the relevant record date; or
 - (c) Where the said proposal is submitted on a day beyond the deadline fixed and announced by the Company for accepting Members' proposals.
 - (d) Where the said proposal containing more than 300 words or more than one matters in a single proposal.
 - (5) The proposal proposed pursuant to the preceding paragraph (1) for urging the Company to promote public interests or fulfil the Company's social responsibilities may still be included in the agenda by the Board.
 - (6) The Company shall, prior to sending the notice of the general meeting, inform all the proposing Members of whether their proposals are accepted or not, and shall list in the notice of general meeting the accepted proposals. With regard to the proposals submitted by Members but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board at such general meeting.
34. The Chairman shall preside as chairman at every general meeting of the Company convened by the Board. For a general meeting convened by any Person other than the Board, such Person shall act as the chairman of that meeting; provided that if there are two or more Persons jointly convening such meeting, the chairman of the meeting shall be elected from those Persons.

35. If at any general meeting the Chairman is not present at the general meeting or is unwilling to act as chairman, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the attending Directors may choose one of them to be the chairman of such general meeting.
36. The Chairman of the general meeting may by Ordinary Resolution adjourn a general meeting from place to place within five (5) days, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for more than five (5) days, notice of the time and location of the adjourned meeting shall be given as in the case of an original meeting.
37. At any general meeting, a proposal for resolution shall be decided on a poll. The number or proportion of the votes in favour of, or against, that resolution shall be recorded in the minutes of the meeting.
38. Unless otherwise expressly required by the Law, the Applicable Listing Rules or these Articles, any matter which has been presented for resolution by the Members at any general meeting shall be passed by an Ordinary Resolution.
- 38-1. In the case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Procedural Rules of General Meetings.
39. The Company may by a Special Resolution:
- (a) enter into, amend, or terminate any contract for lease, management by others, or regular joint operation with others of its business in whole;
 - (b) transfer the whole or any material part of its business or assets;
 - (c) acquire another's whole business or assets, which will have a material effect on the business operation of the Company;
 - (d) distribute part or all of its dividends or bonus by way of issuance of new Shares;
 - (e) effect any winding-up of the Company, merger/consolidation or Spin-off;
 - (f) carry out a Private Placement;
 - (g) grant a waiver to the Directors' non-competition obligation;
 - (h) change its name;
 - (i) alter or amend the Memorandum of Association or these Articles;
 - (j) reduce its share capital and any fund of the capital redemption reserve in any manner authorised by the Law and the Applicable Listing Rules;
 - (k) appoint an inspector to examine the affairs of the Company under the Law; and
 - (l) Share Exchange.

40. (1) In the event any of the resolutions with respect to the paragraph (a), (b) or (c) of the preceding Article is adopted by general meeting, any Member who has notified the Company in writing of his objection to such proposal prior to such meeting and subsequently raised his objection at the meeting may request the Company to purchase all of his Shares at the then prevailing fair price; provided, however, that no Member shall have the abovementioned appraisal right if the general meeting resolves on the dissolution of the Company after the completion of transfer of business or assets under the paragraph (b) of the preceding Article. The abovementioned appraisal right shall be exercised in writing, stating therein the kinds and number of shares, within twenty (20) days after the adoption of resolutions with respect to the paragraph (a), (b) or (c) of the preceding Article.
- (2) In the event any part of the Company's business is involved in any consolidation or merger with another company (including Consolidation and Merger), acquisition or Share Exchange, the Member, who has forfeited his right to vote on such matter and expressed his dissent therefor, in writing or verbally with a record before or during the meeting, in accordance with the Law and these Articles, may request the Company to buy back all of his Shares at the then prevailing fair price in accordance with the Law. The Member filing a foresaid request shall make it in writing within a twenty (20) days period commencing from the resolution date, specify the price for buying back. In case an agreement on the price of buy-back Shares is reached between the Member and the Company, the Company shall pay for the shares within ninety (90) days from the date on which the resolution was adopted. In case no agreement is reached, the Company shall pay the fair price it has recognized to the Members that have not reached agreement with the Company within ninety (90) days from the date on which the resolution was adopted. If the Company did not pay, the Company shall be considered to be agreeable to the price requested by the Member. Where a Member requests the Company to buy all its Shares in accordance with the provisions of this paragraph, in case no agreement is reached within sixty (60) days since the resolution was made, the Company shall apply to the court and may choose Taiwan Taipei District Court as the court of first instance for a ruling on the fair price against all these dissenting Members as the opposing party within thirty(30) days after that duration.
- (3) In case an agreement on the price of shares is reached between the shareholder and the company, the company shall pay for the shares within ninety days from the date on which the resolution was adopted. Without prejudice to the Law, in the event the Company fails to reach such agreement with the Member within a

sixty (60) day period commencing from the resolution date, the Member may, within thirty (30) days after such sixty day (60) period, file a petition to Taiwan Taipei District Court for a ruling on the appraisal price.

41. A plan of Merger or Consolidation involving the Company shall be authorised by each constituent company by-
 - (a) a Members' resolution by majority in number representing seventy-five per cent in value of the Members voting together as one class; and
 - (b) if the shares to be issued to each Member in the consolidated or surviving company are to have the same rights and economic value as the shares held in the constituent company, a Special Resolution of the Members voting together as one class, and in either case a Member shall have the right to vote regardless of whether the Shares that he holds otherwise give him voting rights.
- 41-1. If the trading of shares listed on TWSE is terminated as a result of a Merger/Consolidation in which the company will dissolve, general transfer, share swap or Spin-off and the shares of the surviving company in the Merger/Consolidation, the transferee company in the general assumption or the existing company or newly-incorporated company in the share swap or Spin-off will not be listed on TPEx or TWSE, the resolution of the general meeting shall be adopted by two-thirds or more of the votes of the shareholders who represent the total number of issued shares of the Company.
42. In case the procedure for convening a general meeting or the method of adopting resolutions is in violation of the Law, the Applicable Listing Rules or these Articles, a Member may, within thirty (30) days from the date of the resolution, submit a petition to the Taiwan Taipei District Court or the competent court in Cayman Islands, as applicable, for an appropriate remedy, including but not limited to, requesting the court to invalidate and cancel the resolution adopted therein.

VOTES OF MEMBERS

43. Subject to any rights and restrictions for the time being attached to any Share, every Member who is present in person (or in the case of a Member being a corporation, by its duly authorised representative) and every Person representing a Member by proxy shall have one vote for each Share.
44. (1) In the case of joint Members, the joint Members shall select a representative among them to exercise their voting powers.
(2) If a Member holds Shares for others, such Member may advocate to exercise the voting rights separately.

- (3) The eligibility criteria, scope of application, manner of exercise, operating procedures, and other matters relating to the separate exercise of voting rights pursuant to the preceding paragraph shall comply with the Applicable Listing Rules during the Relevant Period.
45. (1) No vote may be exercised with respect to any of the following Shares:
- (a) the Shares held by any Subordinate Companies, of which a majority of the total outstanding voting shares or the total amount of capital stock are held by the Company; or
 - (b) the Shares held by other companies, of which a majority of the total outstanding voting shares or the total amount of the capital stock are held by the Company and its holding/Subordinate Companies; or
 - (c) the share(s) of a company that are held by the issuing company itself in accordance with the laws.
- (2) Subject to the Law and these Articles, the Shares held by any Member having no voting rights shall not be counted in the total number of the outstanding Shares while adopting a resolution at a general meeting.
- (3) A Member cannot exercise his own vote or by proxy on behalf of another Member in respect of any matter or proposed matter or arrangement if he may be interested therein and may cause damage to the Company's interests. Such Shares shall not be counted in determining the number of votes of the Members present at the said meeting.
46. To the extent permitted by the Law, votes may be exercised in writing or by way of electronic transmission. The way of electronic transmission shall be one of the voting methods at the general meeting. If the Board resolves to hold a general meeting outside Taiwan, the Company must allow the Shareholders to exercise the votes and cast the votes in writing or by way of electronic transmission.
47. If a written instrument or electronic transmission for voting is proposed to be used, the relevant methods and procedures will be specified in the notice of that meeting and complied with by such Members. A Member who exercises his votes in writing or by way of electronic transmission shall be counted towards the quorum, but shall be deemed to have waived his votes in respect of any ad hoc motions and the amendments to the contents of the original proposals at such general meeting.
- 47-1. A Shareholder shall deliver his declaration about the votes in writing or by way of electronic transmission to the Company no later than 2 days prior to the scheduled meeting date of the general meeting; whereas if two or more declarations are delivered to the Company, the first declaration shall prevail

unless an explicit statement to revoke the previous declaration is made in the declaration which comes later.

48. Subject to Article 54, in case a Member who has casted his votes in writing or by way of electronic transmission intends to attend the general meeting in person, he shall, at least 2 days prior to the meeting, revoke his previous votes by serving a separate notice in the same manner as such Member casted his votes. In the absence of a timely revocation of the previous declaration of intention, the votes exercised in writing or by way of electronic transmission shall prevail.
49. For the avoidance of doubt, a Shareholder who exercises his voting power as set forth in Articles 46, 47, 48 and 54 in accordance with the R.O.C. Laws and these Articles shall be deemed to have attended and voted in person at the general meeting for the purposes of these Articles and the Law.
50. The proceedings regarding the general meeting and the voting in the general meeting not covered by these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution of Members from time to time, which shall be in compliance with the Law, the Applicable Listing Rules and the Rules Governing the Conduct of Shareholders Meetings by Public Companies.

PROXY

51. A Member may appoint a proxy to attend a general meeting on his behalf by executing a proxy form prepared by the Company stating therein the scope of power authorized to the proxy. A proxy need not be a Member.
52. A Member may only execute one proxy form and appoint one proxy for each general meeting and shall serve such written proxy to the Company no later than five (5) days prior to the meeting date. In case the Company receives two or more written proxies from one Member, the first one received by the Company shall prevail unless an explicit statement to revoke the previous written proxy is made in the subsequent proxy, provided this subsequent proxy is received no later than five (5) days prior to the meeting date.
53. Where a Member has served a proxy and intends to attend the general meeting in person or exercise the voting rights in writing or by way of electronic transmission, a proxy revocation notice shall be made to the Company at least two (2) days prior to the scheduled date of the general meeting; otherwise, the voting power exercised by the appointed proxy at the meeting shall prevail.

54. In case a Member has exercised his voting power in writing or by way of electronic transmission in accordance with Article 48, and has also authorized a proxy to attend the general meeting on his behalf, then the voting power exercised by the authorized proxy for the said Member shall prevail.
55. The instrument appointing a proxy shall be expressed to be for a particular meeting only¹. Instruments of proxy shall be in the form approved by the Company and will include at least the following information: (a) instructions on how to complete such proxy, (b) the matters to be voted upon pursuant to such proxy, and (c) basic identification information relating to the relevant Member, the proxy, and proxy solicitor (if any). To the extent permitted by the Law, the form of proxy instrument shall be provided together with the notice for the relevant general meeting, either through post or by electronic transmission, as the case maybe, to all Members on the same day.
56. Except for trust enterprises duly licensed under the Applicable Listing Rules or Shareholders' Service Agencies approved by the R.O.C. competent authorities, where a Person acts as the proxy for two or more Members, the number of votes represented by him shall not exceed three percent (3%) of the total number of votes of the Company and the portion of excessive votes represented by such proxy shall not be counted.
- 56-1. For so long as the Shares are registered in the Emerging Market or listed in the Taipei Exchange or TWSE, where a general meeting is to be held outside Taiwan, the Company shall engage a designated institute (i.e., Shareholders' Service Agent located in Taiwan) approved by the Commission and the TPEX or the TWSE to handle the administration of such general meeting (including but not limited to the voting for Shareholders of the Company).
57. The use of proxies and solicitation shall be subject to the Law, the relevant R.O.C. Laws, the relevant Applicable Listing Rules and in particular the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies of the R.O.C.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETING

58. Any corporation which is a Member of the Company may, by resolution of its board or other governing body, authorise such natural person as it thinks fit to act as its representative at any general meeting or at any meeting of a Class of Members of the Company.

DIRECTORS AND BOARD

59. (1) Unless otherwise determined by the general meeting, the number of Directors shall be a minimum of five (5) and a maximum of ten (10).
- (2) A Director can be a natural person or a Juristic Person. Where a Director is a Juristic Person, it shall designate a natural person as its authorized representative to exercise, on its behalf, the duties of a director. Any natural person designated as an authorized representative by the corporate Director may be replaced by another natural person to be authorized by the corporate Director from time to time so as to fulfil the remaining term of the office of the predecessor.
- (3) Where a Juristic Person acts as a Member, its authorized representative(s) may be nominated as a Director(s) provided such nomination is in accordance with these Articles.
- (4) Directors shall be elected by the Members in general meeting. Notwithstanding any other provision of these Articles, the principle of cumulative voting shall apply in any election of Directors pursuant to this Article. Each Member entitled to vote in such election shall have a number of votes equal to the product of (i) the number of votes conferred by such Member's shares and (ii) the number of Directors to be elected at the general meeting. Each Member may divide and distribute such Member's votes, as so calculated, among any one or more candidates for the directorships to be filled, or such Member may cast such Member's votes for a single candidate. At such election, the candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be elected.
- (5) The proceedings and the voting regarding the election of Directors not covered by these Articles shall be governed by the internal rules of the Company, as adopted and amended by an Ordinary Resolution of the Members from time to time, which shall be in compliance with the Law and the relevant Applicable Listing Rules.
- (6) The qualification, formation, appointment, discharge, exercise of authority and other compliance of Directors shall be subject to and governed by the Applicable Listing Rules.
60. The Company shall adopt a candidate nomination mechanism for election of Directors which is in compliance with the Law and the Applicable Listing Rules. Subject to the Law and the Applicable Listing Rules, the Board shall establish detailed rules and procedures for such candidate nomination.

61. The term for which a Director will hold office shall be three years; thereafter he may be eligible for re-election. In case no election of new Directors is effected after expiration of the term of office of the existing Directors, the term of office of such Directors shall be extended until the time new Directors are elected and assume their office.
62. A Director may be discharged at any time by a Special Resolution adopted at a general meeting. If a Director is discharged during the term of his/her office as a director without good cause, such Director may make a claim against the Company for any and all damages sustained by him/her as a result of such discharge.
63. The Board shall have a chairman (the “**Chairman**”) elected and appointed in term by a majority of the Directors present at the Board meeting the quorum of which shall be two-thirds of all of the Directors then in office. The Chairman shall externally represent the Company and internally preside as Chairman at every meeting of the Board and general meeting convened by the Board. To the extent the Chairman is not able to be present at a meeting of the Board, he shall designate one of the Directors to act on his behalf. In the absence of such designation, the attending Directors may choose one of them to be the chairman of the meeting of the Board.
64. A Director shall not be required to hold any Shares in the Company.
65. The remuneration of a Director may differ from other Directors, and shall be determined by the Board, regardless of the Company profits or losses of such year, in accordance with (i) the extent of a Director's involvement with the business operations of the Company, (ii) the contribution of a Director to the Company, (iii) the prevailing industry standard and (iv) such other relevant factors.
- 65-1. (1) During the Relevant Period, the Board shall comply with the Applicable Listing Rules to establish a remuneration committee, which shall be composed of no less than three (3) members, more than half of the members shall be Independent Directors (the “Remuneration Committee”).
 - (2) The professional qualifications of the Remuneration Committee members, the exercise of their powers, and other related matters shall comply with the Applicable Listing Rules.
 - (3) Upon the establishment of the Remuneration Committee, the Board shall adopt a charter for such Remuneration Committee, which shall comply with the Applicable Listing Rules.
66. When the number of Directors falls below five (5) due to a Director ceasing to act for any reason, the Company shall hold an election for Directors at the next general

meeting. When the number of Directors falls short by one-third of the total number of Directors of the same term elected pursuant to these Articles, the Company shall convene an extraordinary general meeting within sixty (60) days of the occurrence of that fact to hold an election for Directors.

INDEPENDENT DIRECTORS AND THE AUDIT COMMITTEE

67. During the Relevant Period, the number of Independent Directors of the Company shall not be less than three (3) or not less than one-fifth of the total number of Directors, whichever is higher, one (1) of whom shall be domiciled in the R.O.C. (such domicile being registered with the government authorities). When an Independent Director ceases to act, resulting in a number of Independent Directors lower than the minimum number required by these Articles, an election for an Independent Director shall be held at the next general meeting. When all Independent Directors cease to act, the Company shall convene an extraordinary general meeting to hold an election of Independent Directors within sixty (60) days from the date on which the situation arose.
68. Independent Directors shall possess professional knowledge and there shall be restrictions on their shareholding and the positions they may concurrently hold. They shall maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the Company. The professional qualifications, formation, appointment, discharge, exercise of authority, restrictions on shareholdings and concurrent positions held will be taken into account in assessing the independence of the Independent Directors, in compliance with the Applicable Listing Rules.
- 68-1. The election of Independent Directors shall be held pursuant to the Nomination System for the Candidates of Independent Directors and the Independent Directors shall be elected out of the nominated candidates. For so long as the Shares are registered in Emerging Market or listed on the Taipei Exchange or TSE, the Company shall adopt a candidate nomination mechanism for the purpose of the appointment of Independent Directors in accordance with the Applicable Listing Rules. The rules and procedures for such candidate nomination shall be in accordance with policies approved by the Directors and by an Ordinary Resolution from time to time, which policies shall be in accordance with the Law, these Articles and the Applicable Listing Rules. Subject to these Articles and the Applicable Listing Rules, the Company shall additionally comply with the Guidelines Governing Election of Directors.

69. (1) The Company shall establish an Audit Committee.
- (2) Where the Company has established an Audit Committee pursuant to these Articles, the Audit Committee shall comprise of all the Independent Directors. It shall not be fewer than three (3) Persons in number, one of whom shall be the convenor, and at least one of whom shall have accounting or financial expertise.
- (3) A resolution of the Audit Committee shall be approved by a majority of all Audit Committee members.
- (4) The qualification, formation, appointment, discharge, exercise of authority and other compliance of the Audit Committee shall be subject to and governed by the Applicable Listing Rules.
70. (1) Where the Company has established an Audit Committee pursuant to these Articles, the following matters shall be subject to the approval of the Audit Committee and be submitted to the Board for a resolution:
- (a) the adoption or amendment of an internal control system;
- (b) the assessment of the effectiveness of the internal control system;
- (c) the adoption of or amendment to handling procedures for financial or operational actions of material significance, such as the acquisition or disposal of assets, derivatives trading, monetary loans to others, or endorsements or guarantees for others;
- (d) a matter bearing on the personal interest of a Director;
- (e) a transaction relating to material asset or derivatives trading;
- (f) the granting or provision of a material monetary loan, endorsement, or provision of guarantee;
- (g) the offering, issuance, or Private Placement of any equity-type securities;
- (h) the engagement or dismissal of an attesting chartered public accountant, or the compensation given thereto;
- (i) the appointment or discharge of a financial, accounting, or internal auditing officer; and
- (j) annual and semi-annual financial reports.
- (2) With the exception of subparagraph (j), any other matters under the preceding paragraph (1) of this Article that has not been approved by the Audit Committee may be undertaken upon the approval of two-thirds or more of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the meeting of the Board.
- 70-1. (1) Before any resolution of merger/consolidation and acquisition by the Board was made, the Company shall convene a meeting of Audit Committee to review the fairness and reasonableness of the plan and transaction of the

merger/consolidation or acquisition, and shall report the reviewed results to the Board and the general meeting. However, if it is not required under the Law to convene a general meeting for the resolution of merger/consolidation and acquisition, the reviewed results are not required to be reported to the general meeting.

- (2) When a meeting of Audit Committee reviews matters, it shall seek opinions from the independent expert on the justification of the Share Exchange ratio or distribution of cash or other assets to the Members.
- (3) The reviewed results of the Audit Committee and opinions from the independent expert shall be delivered to the Members together with the notice of the general meeting. However, if a general meetings' resolution of the merger/consolidation and acquisition is not required under the Law, reports for matters of the merger/consolidation and acquisition shall be announced at the next closest general meeting.
- (4) If the Company announces the same content as in those documents of notice delivered to the Members according to the provisions of the preceding paragraph on a website designated by the R.O.C. competent authorities of securities and those documents are prepared at the venue of the general meeting by the Company for Members' reference, those documents shall be deemed as having been sent to the Members.

POWERS AND DUTIES OF THE BOARD

71. Subject to the Law, these Articles, the Applicable Listing Rules and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Board in such manner as it shall think fit, which may pay all expenses in connection with business management, including but not limited to expenses incurred in setting up and registering the Company and may exercise all powers of the Company.
72. The Board may from time to time appoint any Person to hold such office in the Company as the Board may think necessary for the management of the Company, including but not limited to general manager and other managers, and for such term and at such remuneration as the Board may think fit. Any Person so appointed by the Board may be removed by the Board and shall have the power to perform such duties as may be delegated to them by the Board in accordance with the applicable internal rules of the Company, as adopted and amended by the Board.
73. The Board may appoint a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon

such conditions and with such powers as the Board thinks fit. Any Secretary or assistant Secretary so appointed by the Board may be removed by the Board. The Secretary shall attend all general meetings and shall keep correct minutes of such meetings. He shall perform such other duties as are prescribed by the Law or as may be prescribed by the Board.

74. The Directors from time to time and at any time may establish any committees for managing any of the affairs of the Company; the Board may delegate any of their powers to committees consisting of such member or members of their body as the Board thinks fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

74-1. (1) The Directors shall exercise the duty of loyalty, with the due care of a good administrator, in conducting the business of the Company. If any violation of this Article causes the Company to suffer damages, such Director shall be liable for any such damages incurred. If the conduct in violation of this Article is for the benefit of the Director(s) or other(s), the earnings derived from such conduct may be deemed the earnings of the Company by an Ordinary Resolution adopted at the general meeting.

(2) If, in the course of conducting the business of the Company, the Director violates any applicable laws and regulations, which causes damages to another person, such Director and the Company shall be jointly and severally liable for any damages incurred by such person.

(3) The managers of the Company shall have the same liability for damages as the Directors when acting within the scope of his or her duties.

74-2. A Director (exclusive of any Independent Directors) who does anything for himself or on behalf of another person that is within the scope of the Company's business shall declare the essential contents of such behaviour to the general meeting of the Shareholders and be approved by Special Resolution. Failure in obtaining such approval shall cause the Director being so interested be liable to account to the Company for any profit realised by any such behaviour if the general meeting so resolves by an Ordinary Resolution within one (1) year from such behaviour.

74-3. Subject to the Applicable Listing Rules, any Director may appoint another Director to be his or her alternate and to act in such Director's place at any Board meeting. Every such alternate Director shall be entitled to attend and vote at the Board meeting as the alternate of the Director appointing him or her and where he or she is a Director to have a separate vote in addition to his or her own vote.

74-4. Subject to the Applicable Listing Rules, the appointment of the alternate Director referred in the preceding article shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairman of the meeting of the Directors at which such appointment is to be used, or first used, prior to the commencement of the Board meeting.

DISQUALIFICATION AND CHANGES OF DIRECTORS

75. The office of Director shall be vacated, if such Director:

- (a) commits a felony (including but not limiting to an offence under Statute for Prevention of Organizational Crimes of the R.O.C.) and has been adjudicated guilty by a final judgment, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (b) has been sentenced to imprisonment for a term of more than one year for commitment of fraud, breach of trust or misappropriation, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (c) has been adjudicated guilty by a final judgment for committing an offence under the Anti-Corruption Act of the R.O.C. during the time of his/her public service, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
- (d) becomes bankrupt under the laws of any country or has been adjudicated of the commencement of the liquidation procedure by the court and has not been reinstated to his rights and privileges; or makes any arrangement or composition with his creditors generally;
- (e) has been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
- (f) loses all or part of legal capacity as defined under the Applicable Listing Rules;
- (g) has been adjudicated the commencement of assistantship and such assistantship has not been revoked yet;
- (h) dies or is found to be or becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Directors resolved that his office is vacated;
- (i) if he ceases to be a Director by virtue of, or becomes prohibited from being a

Director by reason of, an order made under any provisions of any law or enactment;

(j) resigns his office by notice in writing to the Company;

(k) is removed from office pursuant to these Articles; or

(l) has been ordered to be discharged by the R.O.C. Courts on the grounds that such Director has, in the course of performing his duties, committed serious violations of the Law, Applicable Listing Rules or these Articles, or acts resulting in material damage to the Company, upon a petition by the Company or Member(s) to the R.O.C. Courts for remedies including the discharge of such Director, in accordance with the requirements of the Applicable Listing Rules or these Articles.

75-1. (1) A Director will be automatically discharged if, during his/her/its tenure, such Director transfers more than one half of the Shares held by him/her/it at the time of election; a Director will also be automatically discharged if the aggregated number of Shares transferred by such Director prior to and after the amendment of these Articles is more than one half of the Shares held by him/her/it at the time of election; unless otherwise, he/she/it is the Independent Director.

(2) If, after he/she/it is elected, a Director transfers more than one half of the Shares held by him/her at the time of election before he/she/it assumes office, or transfers more than one half of the total number of Shares held by him/her/it during the period prior to the general meeting where share transfer registration is suspended, the election of such Director shall become invalid; unless otherwise, he/she/it is the Independent Director.

75-2. If a Director creates a pledge on Shares exceeding one half of the Shares held by such Director at the time of election, the votes of the Shares in excess of such amount shall not be exercised or included in the votes at the general meeting.

76. Except as approved by the TPEx or the TWSE or the Commission, the following relationships shall not exist among more than half of the Company's Directors: (1) a spousal relationship; or (2) a familial relationship within the second degree of kinship as defined under the Applicable Listing Rules. If any of the foregoing relationships exist among the elected Directors, the election with respect to the one who received the lowest number of votes among those Directors shall be deemed invalid and void; if he has held the office of a Director, he shall cease to act as a Director.

76-1. (1) In the event of a complete re-election of the Board prior to the expiration of the Directors' terms of office pursuant to the Applicable Listing Rules, such

Directors, absent a resolution that the existing Directors will not be discharged until the expiry of their present terms of office, will be deemed to be discharged in advance.

- (2) The general meeting for the re-election of the Board referred to in the preceding paragraph shall be attended by more than one-half of the total issued and outstanding Shares of the Company.
77. In case a Director has, in the course of performing his duties, committed any act resulting in material damages to the Company or in serious violation of applicable laws and/or regulations, but not discharged by a resolution of the general meeting, the Member(s) holding three percent (3%) or more of the total number of outstanding Shares of the Company may, within thirty (30) days after that general meeting, institute a lawsuit in the court for a judgment in respect of such matter and may choose Taiwan Taipei District Court as the court of first instance.
- 77-1. (1) Member(s) who holds one percent (1%) or more of the total issued and outstanding Shares of the Company for more than six months may submit a written request to the Independent Director on the Audit Committee to institute a lawsuit on behalf of the Company against the Director(s) and may choose Taiwan Taipei District Court as the court of first instance.
- (2) If the Independent Director on the Audit Committee fails to institute a lawsuit within thirty (30) days of receiving the request pursuant to the preceding paragraph, such Member(s) may institute a lawsuit on behalf of the Company and may choose Taiwan Taipei District Court as the court of first instance.

PROCEEDINGS OF BOARD

78. During the Relevant Period, for the dispatch of business, the Directors shall convene and hold Board meetings (either within or without the Cayman Islands) at least once each quarter. In convening a meeting of the Board, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each Director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency, as determined by the Board, the Board meetings may be convened at any time where this has been agreed to by a majority of Directors.
79. A Director may participate in any meeting of the Board, or of any committee appointed by the Board of which such Director is a member, by means of visual communication equipment by way of which all Persons participating in such meeting can see and communicate with each other simultaneously and instantaneously, and such participation shall be deemed to constitute presence in

- person at the meeting.
80. A Director may appoint another Director as his proxy to attend a meeting of the Board, provided that the appointer shall deliver, with regard to each meeting, a power of attorney and state therein the scope of authority with reference to the subjects to be discussed at such meeting. However, no Director may act as proxy for two or more other Director.
 81. Unless otherwise provided in these Articles, the quorum necessary for any Board meeting shall be more than one-half of the Directors. A Director represented by proxy at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.
 82. Unless otherwise provided in these Articles, the Law or the Applicable Listing Rules, matters arising at any meeting shall be decided by a majority of the Directors present at a Board meeting.
 83. During the Relevant Period, no matters may be decided by the Board by ways of written resolution.
 84. (1) A Director who in any way has a personal interest in the matter under discussion at a meeting of the Directors shall declare the essential contents of his personal interest to the Board meeting. In the merger/consolidation and acquisition involving the Company, a Director who has a personal interest in the transaction of merger/consolidation and acquisition shall explain to the Board and the general meeting the essential contents of such personal interest and the cause of his approval or dissent to the resolution of merger /consolidation or acquisition.
(2) Where the spouse, a blood relative within the second degree of kinship of a Director, or any holding/subordinate company of a Director has interests in the matters under discussion at a meeting of the Directors of the preceding paragraph, such Director shall be deemed to have a personal interest in the matter.
(3) A Director cannot exercise his own vote or by proxy on behalf of another Director in respect of any matter or proposed matter or arrangement if he may be interested therein and may cause damage to the Company's interests. The voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the Board meeting but shall still be counted in the quorum for such meeting.
 85. Subject to these Articles, a Director other than an Independent Director may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as

the Board may determine, and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

86. Subject to these Articles, a Director other than an Independent Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
87. The Board shall cause all minutes to be duly entered in the books provided for the purpose of recording:
- (a) all appointments of officers made by the Directors;
 - (b) the names of the Directors present at each meeting of the Board and of any committee of the Board; and
 - (c) all resolutions and proceedings of all general meetings and of the Board and of committees of Directors.
88. Subject to these Articles, the continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for summoning a general meeting of the Company, but for no other purpose.
89. The meetings and proceedings of any committee shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any directions imposed by the Board.
- 89-1. Subject to the Applicable Listing Rules, when the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held.
- 89-2. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to the Applicable Listing Rules and any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present.
- 89-3. The Board shall be entitled to release or disclose to any regulatory or judicial authority of the R.O.C. or Cayman Islands any information in its possession, custody or control regarding the Company or its affairs to any of its Shareholder

including, without limitation, information contained in the Register of Members and transfer books of the Company.

90. The proceedings regarding Board meetings not covered by these Articles shall be governed by the internal rules of the Company, as consented by the Board and reported to a general meeting from time to time, which shall be in compliance with the Law and the Applicable Listing Rules, particularly the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The Board may be authorized to amend the proceedings regarding Board meetings.

RESERVE

91. Subject to the Law, the Company may, after paying all taxes and duties, by Ordinary Resolution, set aside certain amount of its surplus profits as a special reserve (the "**Special Reserve**") for such purposes as may be approved by the shareholders by way of Ordinary Resolution.
92. Unless otherwise provided in the Law, the Applicable Listing Rules and these Articles, the Capital Reserve shall not be used except for offsetting the losses of the Company. The Company shall not use the Capital Reserve to offset its capital losses unless the Special Reserve is insufficient to offset such losses.

DIVIDENDS AND BONUSES

93. Subject to the Law and these Articles, the Company may declare dividends or bonuses in any currency to be paid to the Members when there is any surplus profit at the end of each quarter or the financial year.
- 93-1. Subject to the Law, any rights and restrictions for the time being attached to any Shares and these Articles, the Company by Ordinary Resolution may declare dividends and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.
- 93-2. Subject to Article 93-1, the Directors may, before recommending any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the discretion of the Directors be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit.

- 93-3. Any dividend may be paid by cheque sent through the post to the registered address of the Shareholder or Person entitled thereto, or in the case of joint holders, to the representative of such joint holders at his registered address or to such Person and such address as the Shareholder or Person entitled, or such joint holders as the case may be, may direct. Every such cheque shall be made payable to the order of the Person to whom it is sent or to the order of such other Person as the Shareholder or Person entitled, or such joint holders as the case may be, may direct.
- 93-4. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the number of the Shares held by the Shareholders.
94. Subject to the preceding Article, the Law and the Applicable Listing Rules, the Company if has profits, shall distribute employee bonus and Director bonus according to the following percentages, and the proposal of the distribution of employee bonus and Director bonus shall be reported to the general meeting. In the event that the Company still has accumulated deficit, the profits, to the extent of such deficit, shall be set aside to make up the deficit
- (a) no less than zero point five percent (0.5%) for bonuses to employees. When the employee bonuses will be paid in the form of new shares issued by the Company, the employees entitled to such share bonuses may include employees of Subordinate Companies satisfying certain criteria. The criteria shall be promulgated and amended by the Board from time to time;
 - (b) up to two percent (2%) for bonuses of Directors; and
- 94-1. (1) Subject to the Law and the Applicable Listing Rules, the Company may distribute its surplus profits and offset losses at the end of each quarter. The business report, the financial statements and the proposal relating to profit distribution and/or loss offsetting of the preceding three quarters shall be submitted to the Board for a resolution after being audited by Independent Directors who are members of the Audit Committee.
- (2) When distributing surplus profits pursuant to the preceding paragraph, the Company shall estimate and reserve the tax payable and offset its losses in accordance with the laws.
 - (3) Where surplus profits are distributed pursuant to the preceding paragraph (1) of this Article, the Company, subject to the Law and the Applicable Listing Rules, may by Special Resolution have the whole or a part of the surplus profit distributable as dividends or bonuses distributed in the form of new shares for such purpose; any fraction of such newly issued shares shall be paid in cash. The whole or a part of the distributable dividends or bonuses, may, upon the

approval of the Board, be paid in cash.

- (4) When the Company distributes its surplus profits or offsets its losses pursuant to the preceding three paragraphs of this Article, such profit distribution or loss offsetting shall be based on financial statements audited or reviewed by a certified public accountant.

94-2. In the event that there is earnings surplus per the annual accounting result, such surplus shall first be used to pay tax, offset losses of previous years, and then be set aside as Special Reserve (if required), and the remainder shall be allocated first as the dividends of the Preferred Shares ("Preferred Dividends") payable in such financial year. The remaining surplus combining accumulated undistributed earnings in the previous years as the distributable earnings surplus shall be distributed to Members as cash dividend and/or stock dividend, pursuant to the distribution proposal made by the Board and to be approved by the general meeting.

The dividend policy of the Company is in consideration of the stable development, sustainable development, funding needs, sound financial structure and protection of shareholder interests of the Company and therefore the ratio of dividends to Members shall not be less than 10% of the distributable earnings surplus, and the distribution can be made in cash or in stock where the amount of cash dividends distributed thereupon shall not be less than 50% of the total amount of dividends. In the event that the Company has no accumulated loss, the Company may consider the finance, business and operation aspects of the Company and distribute all or part of the Legal Reserve and Capital Reserve pursuant to the Law and regulations prescribed by the competent authorities.

95. (1) Where dividends or bonuses are declared in accordance with the preceding Article, the Company, subject to the Law and the Applicable Listing Rules, may by Special Resolution have the whole or a part of the surplus profit distributable as dividends or bonuses distributed in the form of new shares for such purpose; any fraction of such newly issued shares shall be paid in cash.
- (2) Where dividends or bonuses are declared in accordance with the preceding Article, the Company may, upon the approval of a majority of the Board present at a Board meeting attended by two-thirds or more of Directors, have the whole or a part of the surplus profit distributable as dividends or bonuses paid in cash; and in addition thereto a report of such distribution shall be submitted to the general meeting.

ACCOUNTS, AUDIT, AND ANNUAL RETURN AND DECLARATION

96. The books of account relating to the Company's affairs shall be kept in such manner

as may be determined from time to time by the Board.

97. The books of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall always be open to the inspection of each Director.
98. After the end of each financial year, the Board shall prepare and submit: (1) the business report; (2) the financial statements and accompanying documents, as required by the Law and the Applicable Listing Rules (the "**Financial Statements**"); and (3) any proposal relating to profit distribution and/or loss offsetting in accordance with these Articles for adoption by the annual general meeting. Upon adoption at the annual general meeting, the Board shall distribute to each Member copies of the Financial Statements and the resolutions relating to profit distribution and/or loss offsetting.

The Company may notify Members by way of a public announcement of the statements and resolutions mentioned in the previous paragraph.

99. The documents prepared by the Board in accordance with the preceding Article shall be made available at its Shareholders' Service Agent's office in the R.O.C. before ten (10) days of the annual general meeting, and any Members is entitled to inspect such documents during normal business hours of such service agent.
100. The Board shall keep copies of this Memorandum of Association, these Articles, the minutes of every general meeting, the Financial Statements, the Register and the counterfoil of corporate bonds issued by the Company at its Shareholders' Service Agent's office in the R.O.C.. Any Member may request at any time, by submitting evidentiary document(s) to show his interests involved and indicating the scope of requested matters, access to inspect, transcribe and to make copies of the above documents and the Company shall make its Shareholders' Service Agent to provide with the access.
101. The accounts relating to the Company's affairs shall only be audited in such manner and with such financial year end as may be determined from time to time by the Board, or required by the Law or the Applicable Listing Rules.
- 101-1. Subject as otherwise provided in these Articles, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

102. The Board in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Law and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVE

103. Subject to the Law, where the Company incurs no loss, it may, by a Special Resolution, capitalize the Legal Reserves and the Capital Reserve specified below, in whole or in part, by issuing new, fully paid shares to the Members in proportion to the number of shares held by each of them:

(a) Share Premium Account.

(b) income from endowments received by the Company.

Where the Legal Reserve is distributed by issuing new shares, only the portion of Legal Reserve which exceeds 25 percent of the paid-in capital may be distributed.

104. Subject to the requirements of the Law, the Board may make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a Capitalised Reserve, including without limitation, Shares distributable in fractions.

104-1. Subject to the Applicable Listing Rules and the Law, the Company may, with the authority of Special Resolution :

(a) resolve to capitalise an amount standing to the credit of reserves or other capital reserves (including a share premium account, capital redemption reserve, revenue, profit and loss account, Capital Reserves, Legal Reserves and Special Reserves), whether or not available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the number of Shares held by them respectively and apply that sum on their behalf in or towards paying up in full unissued Shares or debentures of a nominal amount equal to that sum, and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other;

(c) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit; and

(d) generally do all acts and things required to give effect to any of the actions contemplated by these Articles.

TENDER OFFER

105. During the Relevant Period, within seven (7) days after the receipt of the copy of a tender offer application form and relevant documents referred to in the Applicable Listing Rules by the Company or its litigation or non-litigation agent appointed pursuant to the Applicable Listing Rules, the Board shall resolve to recommend to the Members whether to accept or object to the tender offer and make a public announcement of the following:
- (a) the types, numbers and amount of the Shares held by the Directors and the Members holding more than ten percent (10%) of the outstanding Shares in its own name or in the name of other Persons;
 - (b) the recommendations to the Members on the tender offer, which shall set forth the names of the Directors who abstain or object to the tender offer and the reason(s) therefore;
 - (c) whether there is any material change in the financial condition of the Company after the submission of the latest financial report and an explanation of the change, if any; and
 - (d) the types, numbers and amount of the Shares of the tender offeror or its affiliates held by the Directors and the Members holding more than ten percent (10%) of the outstanding Shares held in its own name or in the name of other Persons.

WINDING UP

106. Subject to the Law, the Company may be wound up by a Special Resolution passed by the Members. If the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the number of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the number of the Shares held by them at the commencement of the winding up. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.
107. Subject to the Law, if the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Law, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not)

and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different Classes. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator shall think fit, but so that no Member shall be compelled to accept any asset whereon there is any liability.

108. The Company shall keep all statements, records of account and documents for a period of ten (10) years from the date of the completion of liquidation, and the custodian thereof shall be appointed by the liquidator or the Company by Ordinary Resolution.

NOTICES

109. Subject to the Law and except as otherwise provided in these Articles, any notice or document may be served by the Company to any Member either personally, or by facsimile, or by sending it through the post in a prepaid letter or via a recognised courier service, fees prepaid, addressed to such Member at his address as appearing in the Register, or, to the extent permitted by the Law and the Applicable Listing Rules, by posting it on a website designated by the Commission or the TPEX or the TWSE or the Company's website, or by electronic means by transmitting it to any electronic mail number or address such Member may have positively confirmed in writing for the purpose of such service of notices. In the case of joint Members, all notices shall be given to that one of the Members whose name stands as their representative in the Register in respect of the joint holding.
110. Any Member present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting including the purpose for which such meeting was convened.
111. Any notice or other document, if served by:
- (a) post, shall be deemed to have been served five (5) days after the time when the letter containing the same is posted or delivered to the courier;
 - (b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;
 - (c) courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or

- (d) electronic mail, shall be deemed to have been served immediately upon the time of the transmission by electronic mail, subject to the Law.
112. Any notice or document delivered or sent by post to or left at the registered address of any Member in accordance with the terms of these Articles shall notwithstanding that such Member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Member as sole or joint Member.
113. Notice of every general meeting of the Company shall be given to all Members holding Shares with the right to receive notice as at the record date and who have supplied to the Company an address for the giving of notices to them. No other Person shall be entitled to receive notices of general meetings.

OFFICES OF THE COMPANY

114. The Registered Office of the Company shall be at such address in the Cayman Islands as the Board shall from time to time determine. The Company, in addition to its Registered Office, may establish and maintain an office in the Cayman Islands or elsewhere as the Board may from time to time determine.

CORPORATE GOVERNANCE

115. (1) During the Relevant Period, the proceedings regarding acquisition and disposal of assets of the Company (including financial derivatives trading), loan of funds and making of endorsement/guarantees shall be governed by the internal rules of the Company, which shall be in compliance with the Law and the Applicable Listing Rules. The enactment and amendment of such internal rules shall be approved by an Ordinary Resolution of Members.
- (2) During the Relevant Period, the proceedings regarding related party transactions shall be governed by the internal rules of the Company, as adopted and amended by the Board from time to time, which shall be in compliance with the Law and the Applicable Listing Rules.
116. During the Relevant Period, the internal control system will be established by the Board which shall be in compliance with the Law and the relevant Applicable Listing Rules.

FINANCIAL YEAR

117. Unless the Board otherwise prescribes, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

SEAL

118. The Company shall have one or more Seals, as the Board may determine. No Seal shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which a Seal is affixed shall be signed by one Director or the Secretary or by such other person or persons as the Board may appoint, either generally or in any particular case, save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.

CORPORATE SOCIAL RESPONSIBILITY

119. The Company shall comply with the laws and regulations as well as business ethics and may take actions which will promote public interests in order to fulfill its social responsibilities when conducting business.

Appendix 2. Rules of Procedure for Shareholders' Meetings

Article 1 To establish a strong governance system and sound supervisory capabilities for the company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 2 The rules of procedures for the company's shareholders' meetings, except as otherwise provided by law, regulation, or the Memorandum and Articles of Association, shall be as provided in these Rules.

Article 3 (Convening shareholders meetings and shareholders meeting notices)

Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, this Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby.

This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

For physical shareholders meetings, to be distributed on-site at the meeting.

For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.

For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal

containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to this Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles determining the time and place of a shareholders meeting)

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

The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 6 (Preparation of documents such as the attendance book)

This Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the

meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 (Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)

To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

How shareholders attend the virtual meeting and exercise their rights.

Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.

In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.

To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7 (The chairperson and non-voting participants of a shareholders' meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the

Board is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the chairperson; if there is no Vice Chairman or the Vice Chairperson is also on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as the chairperson of the meeting, or, if there are no managing directors, one of the directors shall be appointed to act as the meeting chairperson. Where the Chairman does not make such a designation, the managing directors or the directors shall select one person from among themselves to serve as the meeting chairperson.

It is advisable that shareholders' meetings convened by the Board of Directors be attended by a majority of the Directors.

If a shareholders' meeting is convened by a party with the power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall select a chairperson from among themselves.

The company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Documentation of a shareholders meeting by audio or video)

This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, this Corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 (Discussion of proposals)

If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chairperson may not arbitrarily declare the adjournment of the meeting before the end of proceedings (including extempore motions). If the

chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of the proposals and of the amendments or extempore motions put forward by the shareholders. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the end of the discussion and call for the vote.

Article 11 (Shareholder speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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.

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

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.

The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders' meeting shall be calculated based the number of shares.

For the resolutions of the shareholders' meeting, the number of shares of the non-voting shareholders is not included in the total number of issued shares.

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

The shares of the unexecuted voting rights shall not be calculated in the voting number of the attending shareholders.

Except for the trust business or the stock agency approved by the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the proxy voting rights shall not exceed three percent of the total voting rights of the issued shares. If it does, the exceeding voting rights are not calculated.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

When the company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means.

When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be regarded as having personally attended the meeting. However, the shareholder shall be regarded as having forfeited voting rights for extraordinary motions or amendments to the original motion.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this restriction does not apply when a declaration is made to cancel the earlier declaration of intent.

Once the shareholder has exercised his/her voting right by correspondence or electronic mean, if he/she intends to attend the meeting in person, he/she shall withdraw the intention statement in the same way the voting right is to be exercised at least two (2) days prior to the shareholders' meeting. If the withdrawal did not arrive in time, the voting rights exercised by correspondence or electronic mean shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of voting, the total number of voting rights of the present shareholders shall be announced by the chairperson or the personnel who he designates case by case.

The proposal is deemed to be passed if all present shareholders have no objections upon the consultation of the chairperson, and its validity is the same as that of voting. If there is any objection, it shall be resolved by voting as specified in the preceding paragraph.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. If one of the proposals has been passed, the other proposals shall be deemed rejected, and no further voting shall be required.

Scrutineers and vote counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the

shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the

shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall

present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 (Election of directors and supervisors)

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

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

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

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

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other

force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

Article 16 (Public disclosure)

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 17 (Maintaining order at the meeting place)

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chairperson may direct the inspectors or security personnel to help maintain order at the meeting place. The pickets or security personnel shall wear armbands with the word "Picket" when maintaining order.

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the company, the chairperson may stop the shareholder from so doing.

If the shareholder violates the rules of procedures and defies the chairperson's instruction, and obstructs the proceedings and refuses to stop,

the chairperson may direct the pickets or security personnel to escort the shareholder out of the venue.

Article 18 (Recess and resumption of a shareholders' meeting)

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the agenda set by the shareholders' meeting cannot be finished before the end of the proceedings (including the extempore motions), the shareholders' meeting may pass a resolution to adopt a new venue.

The shareholders' meeting may, in accordance with the provisions of Article 182 of the Company Act, decide to postpone or resume the assembly within five days.

Article 19 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Appendix 3. Corporate Governance Best Practice Principles

Chapter I General Principles

Article 1 To establish sound corporate governance systems, the Company shall follow the Principles made by The Taiwan Stock Exchange Corporation (TWSE) and the Taipei Exchange (TPEX) to formulate our own corporate governance principles and establish an effective corporate governance framework and disclose them through the Market Observation Post System (MOPS).

Article 2 When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or TPEX, and other relevant regulations, the Company shall follow the following principles:

Protect the rights and interests of shareholders.

Strengthen the powers of the board of directors.

Fulfill the function of supervisors.

Respect the rights and interests of stakeholders.

Enhance information transparency.

Article 3 The company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

The company shall perform full self-assessments of its internal control system.

Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. Directors and supervisors shall periodically hold discussions with their internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up,

improvements implemented, and a report submitted to the board of directors.

The company is advised to establish channels and mechanisms of

communication between their independent directors, audit committees or supervisors, and chief internal auditors, and the convener of the audit committee or supervisors shall report the communications between members of the audit committees or supervisors and chief internal auditors at the shareholders' meeting.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

Article 3-1 The Company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEX a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

Handling matters relating to board meetings and shareholders meetings according to laws

Producing minutes of board meetings and shareholders meetings

Assisting in onboarding and continuous development of directors and supervisors

Furnishing information required for business execution by directors and supervisors

Assisting directors and supervisors with legal compliance

Other matters set out in the articles or corporation or contracts

Chapter II Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 The corporate governance system of the Company shall be designed to protect shareholders' rights and interests and treat all shareholders equitably. The company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

Article 5 The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply with laws, regulations and articles of incorporation.

Article 6 The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements. For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (including at least one independent director) and convener of the audit committee, or at least one supervisor, attend in person, and that at least one member of other functional committees attend as representative. Attendance details should be recorded in the shareholders meeting minutes.

Article 7 The Company shall encourage its shareholders to actively participate in

corporate governance. It is advisable that the company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, in order to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with laws.

The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting.

The Company is advised to arrange for their shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, on the Market Observation Post System.

Article 8 The company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the company during its legal existence, and should be sufficiently disclosed on the company's website.

Article 9 The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will. In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the

members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the company.

To treat all shareholders equally, it is advisable that the company concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market. It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the company's financial reports or relevant results.

Article 11 The shareholders shall be entitled to profit distributions by the company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records, assets, particulars, documents and records of specific transaction of the company.

The board of directors, audit committee, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid

two paragraphs without any circumvention, obstruction or rejection.

Article 12 In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the company's financial structure thereafter.

The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13 In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the company's articles of incorporation by any directors or managers in performing their duties.

It is advisable that the Company adopt internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Article 13-1 The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual

understanding of the development of company's objectives.

Article 13-2 In addition to communicating with shareholders through shareholders meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

Article 14 The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15 Unless otherwise provided by the laws and regulations, a manager of the Company may not serve as a manager of its affiliated enterprises. A director who engages in any transaction for himself or on behalf of another person that is within the scope of the company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16 The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17 When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited. All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.

Article 18 A corporate shareholder having controlling power over the Company shall comply with the following provisions:

It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.

Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or supervisor.

It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.

It shall not improperly intervene in corporate policy making or obstruct corporate management activities.

It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.

The representative that is designated when a corporate shareholder has been elected as a director or supervisor shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.

The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

The major shareholder indicated in the first paragraph refers to those who owns 5 percent or more of the outstanding shares of the company or the shareholding stake thereof is on the top 10 list, provided however that the company may set up a lower shareholding threshold according to the actual

shareholding stake that may control the company.

Chapter III Enhancing the Functions of the Board of Directors

Section 1 Structure of the Board of Directors

Article 20 The board of directors of the Company shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.

The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.

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

Basic requirements and values: Gender, age, nationality, and culture.

Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

Ability to make operational judgments.

Ability to perform accounting and financial analysis.

Ability to conduct management administration.

Ability to conduct crisis management.

Knowledge of the industry.

An international market perspective.

Ability to lead.

Ability to make policy decisions.

Article 21 The Company shall, according to the principles for the protection of shareholder rights and interests and equitable treatment of shareholders, establish a fair, just, and open procedure for the election of directors, encourage shareholder participation, and adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views.

Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.

When the number of directors falls below five due to the discharge of a director for any reason, the company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of the company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22 The Company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23 Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.

It is inappropriate for the chairperson to also act as the general manager or an equivalent post.

The company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24 The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than three in number and not less than one-fifth of the total number of directors.

Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.

If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.

The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.

Change of status between independent directors and non-independent directors during their term of office is prohibited.

The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 25 The Company shall submit the following matters to the board of directors for approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

- Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- A matter bearing on the personal interest of a director or a supervisor.
- A material asset or derivatives transaction.
- A material monetary loan, endorsement, or provision of guarantee.
- The offering, issuance, or private placement of any equity-type securities.
- The hiring, discharge, or compensation of an attesting CPA.
- The appointment or discharge of a financial, accounting, or internal auditing officer.

Any other material matter so required by the competent authority.

Article 26 The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Functional Committees

Article 27 For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the company's scale and type of operations and the number of

its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation. Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded. Functional committees shall adopt an organizational charter to be approved by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28 The Company shall establish either an audit committee.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEX.

Article 28-1 The Company shall establish a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

Article 28-2 The Company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said

committee be independent directors and an independent director be its chairperson

Article 28-3 The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

Article 29 To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the supervisor or audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

The Company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other

circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30 It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors, the supervisors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors, supervisors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31 The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director and supervisor no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32 Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party

with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter.

Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33 When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.

In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.

The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when

deliberation or voting takes place.

Article 34 Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company.

Meeting minutes may be produced, distributed, and preserved by electronic means.

A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35 The Company shall submit the following matters to its board of directors for discussion:

Corporate business plans.

Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.

Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an

internal control system.

Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

The offering, issuance, or private placement of any equity-type securities.

The performance assessment and the standard of remuneration of the managerial officers.

The structure and system of director's remuneration.

The appointment or discharge of a financial, accounting, or internal audit officer.

A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.

Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36 The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation. The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37 Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

It is advisable that the Company formulate rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

The degree of participation in the company's operations.

Improvement in the quality of decision making by the board of directors.

The composition and structure of the board of directors.

The election of the directors and their continuing professional education.

Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

Their grasp of the company's goals and missions.

Their recognition of director's duties.

Their degree of participation in the company's operations.

Their management of internal relationships and communication.

Their professionalism and continuing professional education.

Internal controls.

It is advisable that the Company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:

Their degree of participation in the company's operations.

Their recognition of the duties of the functional committee.

Improvement in the quality of decision making by the functional committee.

The composition of the functional committee, and election and appointment of committee members.

Internal control.

The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 37-1 It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 37-2 The board of directors is advised to evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.

Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.

Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.

Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.

Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

Article 38 If a resolution of the board of directors violates law, regulations or the company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director, or at the

notice of a supervisor to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.

Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee, in accordance with the foregoing paragraph.

Article 39 The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.

The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 40 Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter V Respecting Stakeholders' Rights

Article 41 The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.

When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

Article 42 The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of their legal rights or interest is harmed, the company shall respond with a

responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43 The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management, directors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 44 In developing its normal business and maximizing the shareholders' interest, a TWSE/TPEX listed company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter V Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45 Disclosure of information is a major responsibility of the Company. The Company shall perform its obligations faithfully in accordance with the relevant laws and the related TWSE and TPEX rules.

The Company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

Article 46 In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is

established to avoid any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The Company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47 In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English. To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 48 The Company shall hold an investor conference in compliance with the regulations of the TWSE and TPEX, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE or TPEX rules.

Section 2 Disclosure of Information on Corporate Governance

Article 49 The Company shall disclose and update from time to time the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE or TPEX rules

- Corporate governance framework and rules.
- Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy).
- Structure, professionalism and independence of the board of directors.
- Responsibility of the board of directors and managerial officers.
- Composition, duties and independence of the audit committee or supervisors.
- Composition, duties and operation of the remuneration committee and other functional committees.

The remuneration paid to the directors, supervisors, general manager and vice

general manager in the last two fiscal years, the analysis of the percentage of total remuneration to net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance and future risk. Under special individual circumstances, remuneration of individual directors and supervisors shall be disclosed.

The progress of training of directors and supervisors.

The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.

Details of the events subject to information disclosure required by law and regulations.

The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.

Other information regarding corporate governance.

A TWSE/TPEX listed company is advised, according to the actual performance of the corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.

Chapter VII Supplementary Provisions

Article 50 The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 51 This regulation shall be implemented after being approved by the Board of Directors, and the same shall apply to amendments.

Appendix 4. Operational Procedures the Acquisition and Disposal of Assets

Article 1: Purpose

These Procedures are prescribed to protect investment, implement open information, and strengthen asset management.

Article 2: Legal Ground

Prescribed pursuant to Article 36-1 of the Securities and Exchange Act, and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" (hereinafter referred to as the "Regulations") published by the competent authority, Financial Supervisory Commission (hereinafter referred to as the "FSC").

Article 3: Scope of Assets

1. Securities: shares, government bonds, corporate bonds, bank debentures, securities that represent fund entitlements, depository receipts, call/put options, beneficiary securities and asset-backed securities.
2. Real estate (including land, building, investment properties, land use rights, and construction inventory) and equipment.
3. Membership card
4. Intangible assets: patents, copyrights, trademarks, licenses and other intangible assets.
5. Claims of use right
6. Creditor's rights of financial institutions (including receivables, foreign exchange purchase discount and loans, and delinquent loans) of financial institutions
7. Derivatives: Refers to the value of the forward contracts, options contracts, futures contracts, leveraged margin contracts, swap contracts and compound contracts of the aforementioned instruments derived from assets, interest rate, exchange rate, index or other benefits. The so-called forward contracts exclude insurance contracts, performance contracts, after-sale service contracts, long-term lease contracts and long-term purchases (sales) contracts.
8. The assets acquired or disposed of by legal merger, division, acquisition or transfer of shares: Refers to the assets acquired or disposed of through merger, division or acquisition in accordance with the Business Merger Act, Financial Holding Company Act, Financial Institution Merger Act or any other law; or the issuance of new shares in exchange for the stock shares of other companies in accordance with Article 156 Paragraph 8 of the Company Act (hereinafter referred to as "transfer of shares").
9. Other important assets

Article 4: Terminology

1. Related party and subsidiaries: It should be recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.
2. Professional appraiser: Refers to real estate appraisers or other individuals engaged in property and equipment appraisal business in accordance with the governing laws.
3. Date of event: Refers to the transaction contract signing date, payment date, commission Closing Date, transfer date and the Board resolution date or the date the counterparty and transaction amount sufficiently determined whichever is earlier or sooner.
For investments that are subject to the approval of the competent authorities, one of the dates of event referred to above or the date of approval by the competent authorities whichever is earlier or sooner shall prevail.
4. Investment in Mainland China: Refers to the investments engaged in Mainland China approved by the Investment Commission of the Ministry of Economic Affairs Investment or conducted in accordance with the Technical Cooperation Licensing Requirements.
5. Total Assets: The total assets stated in the most recent parent company-only financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
6. "Latest financial statements": mentioned here shall refer to the Company's audited/auditor-reviewed financial statements that were published prior to acquiring or disposing the assets.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 5: Evaluation Process

The price of the acquisition or disposal of assets by the Company are determined as and with reference to the following:

1. The Finance Department or Management Department shall be responsible for the acquisition or disposal of assets by the Company, and shall evaluate the feasibility of the acquisition or disposal of assets, and obtain the approval according to the authority matrix in Article 6 before implementation.
2. The Company for the acquisition or disposal of securities shall obtain prior to the date of event the underlying company's most recent financial statements audited, attested or reviewed by CPAs as reference in assessing the transaction price. In addition, for a transaction amount exceeding 20% of the paid-in capital or NTD300 million, a CPA should be contracted prior to the date of the event to express an opinion on the reasonableness of the transaction price. The CPA that needs to adopt the report of an expert shall have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 published by the Research and Development Foundation. However, exceptions are made if the marketable securities are with a quote in an active market or it is otherwise regulated by the Financial Supervisory Commission.
3. In the event that the transaction amount for acquiring or disposing of real property, equipment, reaches twenty percent (20%) of the paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of event occurrence from a professional appraiser and comply with the provisions below, except for transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment held for business use.
 - (1) If the transaction price is determined by referring to an attributive price, a specific price, or a special price for a good cause, the transaction should be presented to the board of directors for resolutions. The changes in trading conditions should be processed the same.
 - (2) The transaction amounted to NT\$1 billion or more should be appraised by two or more professional appraisers.
 - (3) If the professional appraiser's appraisal result falls under one of the following circumstances, except for the valuation of the acquired asset is higher than the transaction amount or the valuation of the disposed asset is lower than the transaction amount, a CPA should be contracted to have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 of the Accounting Research and Development Foundation with an opinion issued on the reasons for the difference and the

adequacy of the transaction price:

1. The spread between the appraisal result and the transaction amount exceeds 20%.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (4) Where a professional valuation is used, the valuer's report shall be dated no further than 3 months from the contract date. However, if the report pertains to the same government-declared value and is no more than six months old, the Company may still base its decisions on the report, provided that an opinion letter is obtained from the original valuer.
4. The Company's acquisition or disposal of membership card or intangible assets for an amount exceeding 20% of the paid-in capital or NTD300 million, except for transactions with government agencies, should have a CPA contracted to express an opinion on the reasonableness of the price prior to the date of the event. The CPA should have it processed in accordance with the Statement of Auditing Standards (SFAS) No. 20 published by the Research and Development Foundation.
 5. The transactions amount should be calculated in accordance with Article 8 Paragraph 2 of the procedures. Also, the alleged "within one year" meant for the one year prior to the date of occurrence excluding the appraisal report issued by the professional appraiser or the CPA's opinions acquired in accordance with the procedures.
 6. For the Company's acquisition or disposal of assets by the court auction process, the supporting documents issued by the court can be used instead of the appraisal report or CPA's opinions.
 7. For the appraisal report or the opinions obtained from the CPAs, attorney, or security underwriter by the Company, the professional appraisers and their appraising personnel, CPAs, attorneys, security underwriters, and the trade parties must be not be related.

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- (1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision

does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

(2) May not be a related party or de facto related party of any party to the transaction.

(3) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.

(2) When conducting a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.

(3) They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.

(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.

8. In addition to the foregoing requirements, the following procedures shall apply:

(1) For the acquisition and disposal of negotiable securities on the stock exchange or securities brokerage, the price of equity, fund or bond is determined at the time.

(2) When the Company acquires or disposes of any securities which are not for trading on the stock exchange market, or securities brokerage office, it shall consider the net value per share, technique and profitability, future development potential, market interest rate, bond coupon rate, debtor's credit, market value, and fund profitability rating, and negotiate the price with reference to the then-current strike prices.

(3) When the Company acquires or disposes of any real estate, it shall negotiate the price with reference to the published current value,

current value appraisal and the actual strike price of the adjacent real estate. If the real estate is purchased from a related party, it shall compute the price in the methods set forth in Chapter 2 of these Procedures to evaluate the reasonableness of the trading price.

- (4) When the Company acquires or disposes of any membership, it shall negotiate the price by considering the possible benefits, and with reference to the then-current strike prices.
 - (5) When the Company acquires or disposes of any intangible assets, it shall negotiate the price with reference to the international or market course of dealings, usable years, and influence on the company's technology and business.
 - (6) When the Company acquires or disposes of any equipment or other assets, it shall review the supplier quotations, and carry on by request for quotation, quotation comparison, price negotiation, or public tender.
 - (7) When the Company engages in any derivatives transactions, it shall review the futures market transaction, exchange rate and interest rate tendency, and follow Chapter 3 of these Procedures.
 - (8) When the Company conducts merger, spinoff, acquisition, or receipt of shares, it shall review the business characteristics, net value per share, asset value, technique and profitability, production capacity, and future development potential, and follow Chapter 4 of these Procedures.
9. The transactions with a related party, derivatives trading, merger, spinoff, acquisition, or receipt of shares by the Company shall be subject to the foregoing provisions, as well as Chapters 2 to 4 of these Procedures.

Article 6: Administration Process

The authorization limits, level of approval, and processing unit, and transaction procedures of the acquisition or disposal of assets by the Company are as below:

1. Authorization Limits and Level of Approval

The Company's Board of Directors has authorized the Chairman to approve the transactions not exceeding the limits set forth in Article 7 of the Procedures as follows:

- (1) When the Company acquires or disposes of any securities, real estate and equipment, or other assets
 1. If the transaction amount does not exceed NT\$50 million, the Chairman authorizes the President to approve and report afterwards.
 2. If the transaction amount does not exceed NT\$100 million, the Board of Directors authorizes the Chairman to grant the

preliminary approval, and report to the nearest Board meeting for ratification.

3. If the transaction amount exceeds NT\$100 million, the transaction shall be approved by more than one half of the Audit Committee, and submitted to the Board of Directors for resolution.
- (2) When the Company acquires or disposes of any membership
 1. If the transaction amount does not exceed NT\$3 million, the Chairman authorizes the President to approve and report afterwards.
 2. If the transaction amount does not exceed NT\$6 million, The Board of Directors authorizes the Chairman to grant the preliminary approval, and report to the nearest Board meeting for ratification.
 3. If the transaction amount exceeds NT\$6 million, the transaction shall be approved by more than one half of the Audit Committee, and submitted to the Board of Directors for resolution.
 - (3) When the Company acquires or disposes of any intangible assets
 1. If the transaction amount does not exceed NT\$5 million, the Chairman authorizes the President to approve and report afterwards.
 2. If the transaction amount does not exceed NT\$10 million, the Board of Directors authorizes the Chairman to grant the preliminary approval, and report to the nearest Board meeting for ratification.
 3. If the transaction amount exceeds NT\$10 million, the transaction shall be approved by more than one half of the Audit Committee, and submitted to the Board of Directors for resolution.
 - (4) When the Company engages in any derivatives transactions, it shall follow Chapter 3 of these Procedures.
 - (5) When the Company conducts a merger, spinoff, acquisition, or receipt of shares, it shall follow Chapter 4 of these Procedures.
2. Processing Unit and Transaction Procedures

The processing unit of the acquisition or disposal of assets by the Company shall be the Finance Department or Management Department. Upon the approval pursuant to the foregoing provisions, the processing unit will carry out the transaction procedures in accordance with the Company's internal control system.

Article 7: Transaction Limits

In addition to the acquisition of operating assets, the Company and each subsidiary may invest and purchase non-operating real estate or securities

within the following trading limits:

1. For the acquisition of any non-operating real estate by the Company, the total amount shall not exceed 40 percent of the Company's net worth in the latest financial report.

For the acquisition of any non-operating real estate by any subsidiary, the total amount shall not exceed 20 percent of the Company's net worth in the latest financial report.

2. For the acquisition of securities by the Company, the total amount shall not exceed 200 percent of the Company's net worth in the latest financial report.

For the acquisition of securities by any subsidiary, the total amount shall not exceed 150 percent of the Company's net worth in the latest financial report.

3. For the acquisition of a single security by the Company, the amount shall not exceed 150 percent of the Company's net worth in the latest financial report.

For the acquisition of a single security by any subsidiary, the amount shall not exceed 100 percent of the Company's net worth in the latest financial report.

Article 8: Announcement and reporting procedures

1. The Company's acquisition or disposal of assets in any of the following circumstances. It should be announced and reported in the FSC website within two days from the date of the event in accordance with the nature and the prescribed format.

- (1) The acquisition or disposal of real estate from and to the related party, or the acquisition or disposal of assets other than real estate from and to the related party for an amount exceeds 20% of the paid-in capital, 10% of the total assets, or NT\$300 million. However, bond trades, RP and RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises is not subject to such requirements.

- (2) Process merger, spins-off, acquisition, or assignment of shares.

- (3) Engaged in derivatives transaction with a loss up to the limit of the total or individual contract amount regulated in this procedure.

- (4) The assets acquired or disposed of fall within the category of business equipment, and the counterparties in the transactions are not related parties and the amount of transactions meet any of the following requirements:

1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.

2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.

- (5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million.
 - (6) Where land is acquired under an arrangement on 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, and the amount the company expects to invest in the transaction reaches NT\$500 million.
 - (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million. However, the following conditions are not subject to this restriction:
 1. Bond trade.
 2. Where the company specializes in the investment profession, any securities traded through domestic and overseas exchange or through securities firms, or ordinary corporate bonds and ordinary bank debentures without equity attribute subscribed in the domestic primary market, or securities subscribed by a securities firm as part of its underwriting service or counseling service for Emerging Stock Market companies as regulated by Taipei Exchange.
 3. The trade of RP/RS bonds and purchase/repurchase of money market funds that are issued by domestic securities investment trust enterprises.
2. The transaction amount referred to above is calculated in accordance with the following methods:
 - (1) The amount of any individual transaction.
 - (2) The cumulative amount of the acquisition or disposal of the same underlying subject with the same counterparty within one year;
 - (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property assets thereof within the same development project within the preceding year.
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
 3. "Within the previous year" as claimed in the preceding paragraph refers to the one year before the date of acquisition. The part disclosed

according to these Procedures will be exempted.

4. The Company should have the derivative transactions of the Company and the non-public domestic subsidiaries up to the end of the last month published in the FSC website monthly in accordance with the prescribed format before the 10th day of each month.
5. When the items that are to be published by the Company in accordance with the regulations are found with errors or omissions at the time of publication, all the items should be published and reported again within 2 days from the date of learning of the discrepancy.
6. The Public Company should have the contract, minutes of meeting, book, appraisal reports, the opinions of CPAs, attorneys, or underwriters related to the acquisition or disposal of assets ready at the Company's premise for at least 5 years unless otherwise provided by law.
7. If the transactions reported and announced by the Company in accordance with the provision referred to above be found with any of the following circumstances, the Company should have the related information announced and reported on-line at the information network designated by the FSC within 2 days from the date of occurrence.
 - (1) The originally signed trade contract is modified, terminated, or revoked.
 - (2) Merger, spins-off, acquisition, or assignment of shares is not completed in accordance with the deadline stated in the contract signed.
 - (3) Changes are made to the original announcement and report.

Article 9: The control procedure for the subsidiary's acquisition or disposal of assets

1. The Company shall urge its subsidiaries to prescribe and implement the "Procedures for the Acquisition and Disposal of Assets" pursuant to these Procedures.
2. The "Procedures for the Acquisition and Disposal of Assets" prescribed by a subsidiary or the amendment thereof shall conform to these Procedures, and must be submitted to each supervisors, and reported to the shareholders meeting for approval after the resolution of the Board meeting . If any of the director's objections is recorded or expressed in writing, the Subsidiary shall have the objections of the directors forwarded to each supervisor.

Where the position of independent director has been created in accordance with the regulations, when a transaction involving the acquisition or disposal of assets is submitted for discussion to the board of directors, it should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting.

Where an audit committee has been established in accordance with the Act, when the procedures for the acquisition and disposal of assets are adopted or amended, they shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

3. Unless otherwise prescribed in its policy, these Procedures may also be applied to the acquisition or disposal of assets by the subsidiary.
4. If the subsidiary is not a domestic public company, and the acquisition or disposal of assets are subject to the reporting under Article 8, the Company shall notify the shareholder service agency, and publish the announcement within days of such event on behalf of the subsidiary.
5. Referred to above regarding the announcement and reporting standard of reaching the limit of 20% of paid-in capital or 10% of the total assets that is applicable to the subsidiary is based on the Company's paid-in capital or total assets.

Chapter 2 Related party transactions

Article 10: Determination Basis

1. In addition to processing the related decision procedures and assessing the reasonableness of trade conditions in accordance with the provision referred to above and in this Article, the appraisal report issued by the professional appraiser or the CPA's opinions must be acquired in accordance with the guidelines referred to above for the acquisition or disposal of assets by the Company from the related party with a transaction amount over 10% of the Company's total assets.
2. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 5, Article 5 herein.
3. The legal form and the real relationship should be considered in determining whether the counterparty is a related party.

Article 11: Resolution Process

1. If the Company acquires from or disposes of to a related party any real estate of a related party, or acquires from or disposes of any assets other than real estate to a related party, and the transaction amount exceeds 20% of the Company's paid-in capital, 10% of the total assets,

or NT\$300 million, then except for the sales and purchase of domestic government bonds, callable or puttable bonds, subscription or repurchase of an MMF administered by a domestic securities/investment/ trust firm, the Company shall submit the following materials to the Audit Committee and obtain the consent of the majority of the Committee, then the approval of the Board of Directors must be obtained before signing the transaction contract and making the payments:

- (1) The purpose, necessity, and expected benefits of the acquisition or disposal of assets.
 - (2) The reasons for selecting the related party as the counterparty.
 - (3) Assess the reasonableness of the planned trading conditions for the property acquired from the related party pursuant to Article 12 and Article 13.
 - (4) The matters of the related party's original acquisition date and price, counterparty, and the relationship with the Company and the related party.
 - (5) Expected monthly cash income and expense statement within one year from the contracted month, and assessing the necessity of the transactions and the reasonableness of the funds application
 - (6) Acquire the appraisal report from the professional appraisers or the opinions of the CPAs in accordance with the provisions referred to above.
 - (7) The restrictions and other important stipulations of the transaction.
2. The transaction amount in the foregoing paragraph shall be calculated according to Article 8.2. The term "within the preceding year" refers to the year preceding the date of the current transaction. Any proposal that has been approved by the majority of the Audit Committee and the Board of Directors according to these Procedures will not be counted for this purpose.
 3. The Board of Directors authorizes the Chairman to grant the preliminary approval, and report to the nearest Board meeting for ratification, for any acquisition or disposal of any equipment held for operating purposes between the Company and its subsidiaries not exceeding NT\$50 million.
 4. When reported to the Board for discussion in accordance with the paragraph referred to above, should fully consider the views of the independent directors. The objections or reservations of independent directors, if any, should be stated in the minutes of the Board meeting.

Article 12: Evaluation on reasonable cost of transactions

1. The Company should assess the reasonableness of the transaction costs for the acquisition of real property from the related party in accordance with the following methods:

- (1) Based on the related party transaction price plus the necessary capital interest and the cost of the buyer. The so-called necessary capital interest cost is calculated in accordance with the weighted average interest rate of the loans in the year the assets are acquired by the Company; however, it may not be higher than the non-financial industry maximum loan interest rate as announced by the Ministry of Finance.
- (2) If the related party has the underlying subject used as collateral for a loan from financial institutions, the financial institutions are to assess the gross lending value of the subject matter. However, the actual accumulated lending value of the subject matter granted by the financial institutions should reach over 70% of the assessed gross lending value for a lending period over one year. However, it is not applicable if the financial institution and the counterparty are related to one another.
2. For the combined purchase of the same underlying land and house, the transaction costs of land and house can be assessed by any of the methods referred to above.
3. The cost of the real estate acquired by the Company from the related party should be assessed in accordance with the preceding paragraph; also, a CPA should be commissioned to review and express an opinion.
4. The acquisition of real estate by the Company from the related parties that fall in one of the following situations should be handled in accordance with Article 11 instead of the provisions referred in the last three sections:
 - (1) The related party acquired the real property thereof through inheritance or as a gift.
 - (2) Related party's contracting for the acquisition of real estate is over five years from the date of the trade contract signed.
 - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - (4) The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 13: Exceptions to Evaluation of Transactions Where Costs are Lower than Transaction Price

1. If the results of the evaluation conducted under the foregoing Article are lower than the transaction price, the Company shall enforce Article 14. However, as a result due to the following circumstances and with the objective evidence presented and an appraisal report collected from

the professional real estate appraiser and a reasonable opinion issued by the CPAs, it is not subject to the limitations:

- (1) Related party that has obtained prime land or rental land for construction must submit the proof of complying with the following conditions:
 1. The prime land is assessed in accordance with the methods referred to above. House is assessed in accordance with the sum of the construction costs and a reasonable profit exceeding the actual transaction price. The term "reasonable construction profit" is based on the average gross profit rate in the last three years of the related party's construction department or the latest gross profit rate of the construction industry announced by the Ministry of Finance whichever is lower.
 2. The successful trade of other floors of the same underlying house and land or the successful trade of the unrelated party in the neighborhood within one year with the similar floor area; also, the trade conditions are assessed to be equivalent in accordance with the reasonable floors or regional spread in general practice of real estate trade.
 - (2) The Company evidences that the trade terms of acquiring the real estate from the related parties are similar to the successful trade of the unrelated party in the neighborhood within one year with the similar floor area.
2. The alleged "successful trade" in the neighborhood referred to above meant for the underlying subject on the same street or an adjacent street/block within the 500m-radius or with the similar announced present value. The alleged "similar floor area" meant for the successful trade by other non-related party is for not less than 50% of the floor area of the underlying subject. The alleged "within one year" meant for the one year prior to the date of occurrence for the acquisition of real estate.

Article 14: Procedures for handling transaction prices below the evaluated costs

1. If the assessment result of the acquisition of real estate from the related party is lower than the transaction price in accordance with Article 12 and Article 13, the Company is to have the following matters processed:
 - (1) A special reserve should be appropriated based on the difference between the real estate trade price and the assessed cost in accordance with Article 41 Paragraph 1 of the Securities and Exchange Act. If the investors that have an investment in the Company valued in accordance with the Equity Method are public companies, a special reserve should be appropriated proportionally to the appropriated amount in accordance with

Article 41 Paragraph 1 of the Securities and Exchange Act.

- (2) The Audit Committee shall have it handled in accordance with Article 218 of the Company Act.
 - (3) The results of handling according to the preceding paragraph shall be reported to the meeting of shareholders, and the details of transaction shall be disclosed in the annual report and the prospectus.
2. If the Company has a special reserve appropriated in accordance with the requirements stated in the preceding paragraph, such special reserve can be utilized with the consent of the Financial Supervisory Commission when the purchased assets with losses in valuation are recognized or are disposed of, or are compensated properly or restored to the original form, or there is evidence of them being free of any unreasonableness.
 3. The acquisition of real estate by the Company from the related party that is evidenced not in compliance with general business practices should be handled in accordance with the two sections referred to above.

Chapter 3 Engaged in derivative transactions

Article 15: Transaction Rules and Guidelines

1. Transacted instrument
The Company may engage in derivatives transactions, including forward contracts, options contracts, swap contracts, and any compound contract of the foregoing product portfolios. The transaction of any other products shall be subject to the consent of more than one half of the Audit Committee, and the resolution of the Board meeting.
2. Operating or hedging strategy
The Company shall be risk-averse when conducting derivatives transactions, and shall prevent any risk generated from the business operation. In addition, the Company shall conduct the transaction with the banks that have existing business with the Company whenever possible to avoid credit risk.
3. Delineation of rights and obligations
 - (1) The persons designated by the Finance Department are respectively responsible for the transaction, confirmation, and closing of derivative transaction.
 - (2) Authorization Limits and Level of Approval
 1. The Company's Board of Directors authorize the officer of finance/accounting, and the President to approve the hedging transactions within the limits set forth in Article 15, Paragraph 5 of these Procedures as follows:

Approver	Authorization allowed per single transaction	Net cumulative position limit
Head of Finance/Accounting	NT\$35 million or below	NT\$100 million or below
President	NT\$100 million or below	NT\$500 million or below

2. Any transaction not for hedging purposes shall be reported to the Board of Directors for approval.
4. Performance evaluation key points
 - (1) Performance is assessed based on the Company's cost exchange rate on-book and the amount of gains/losses incurred on derivatives.
 - (2) To more appropriately monitor and present valuation of the underlying transaction, gain/loss on derivative is assessed on a monthly basis.
5. Total contract price, and maximum loss per all and single contracts
 - (1) Contract sum

The total contract price for hedging and non-hedging transactions shall not exceed two-thirds of the total amount of foreign currency exposure positions.

 1. Hedging transaction

"Hedging" means, other than for a transaction purpose, using the fair value or cash flow change of one or more hedges to offset all or part of the fair value or cash flow change of a hedged position.
 1. Non-hedging transaction

The purpose is to carry out the transaction. The operational mode focuses on short-term sales or repurchase to obtain short-term profits, rather than preventing the risks. There is no hedging strategy, or defined hedged project. The account principles have specified, or the Account Research and Development Foundation has designated, such transaction unsuitable for hedging.
 - (2) Maximum loss per all and single contracts

The total loss for hedging and non-hedging transactions shall not exceed 15% of the total amount of the contracts. The maximum loss of a single contract shall not exceed 10% of the contract price.

Article 16: Risk Management Measures

1. Scope of risk management
 - (1) Management over credit risks

The transaction party shall be a bank that has existing business with the Company, and is capable of providing professional

information.

(2) Market price risk management

Derivatives shall be limited only to foreign currency contracts with banks; futures are unavailable at this point.

(3) Liquidity risk management:

To ensure the liquidity, the transaction bank must have enough equipment, information and transaction ability, and is able to transact in any market.

(4) Cash flow risk management

To ensure a stable cash flow for the Company's working capital, the Company shall use its own capital to conduct derivatives transactions.

(5) Operational risk management

The Company must comply with the authorized limit and procedures to avoid any procedural risks.

(6) Legal risk management

Any bank documents must be reviewed by the legal department or legal counsel before being officially executed to avoid any legal risks.

2. The personnel involved in derivative instrument transactions shall not simultaneously perform trade confirmation or settlement.
3. Personnel involved in risk assessment, monitoring and control shall be allocated to departments that are different from those mentioned above, and shall report to the Board of Directors or to senior managers who are not responsible for making decisions on transactions or positions.
4. Hedging transaction shall be evaluated at least twice a month. Non-hedging transaction shall be evaluated at least once per week. The evaluation report shall be submitted to the senior officer authorized by the Board of Directors.
5. Other important risk management measures

Article 17: Regular assessment methods and nonconformity handling

1. The board of directors is to supervise and manage the Company's derivatives transactions in accordance with the following principles:
 - (1) Appoint the management to monitor and control the risk of derivative transactions at any time.
 - (2) Periodically evaluate the performance of the derivative transactions complying with the defined business strategy and the risks within the Company's tolerable range
2. The senior management authorized by the board of directors should have the derivative transactions managed in accordance with the following principles:
 - (1) Periodically evaluate the suitability of current risk management measures, and implement the processes according to the

Regulations and Article 16 of the Procedures.

- (2) Supervise transactions and profit and loss and report nonconformities upon identification with necessary responsive measures exercised; also, immediately report to the board of directors. The presence and comment of the independent directors at the board meeting is mandatory.
3. The Company shall authorize the relevant persons under Article 16 of the Procedures to conduct derivatives transactions and report to the nearest Board meeting.

Article 18: Establish a log book

In engaging in derivatives transactions, the Company shall establish a log book in which details of the types and amounts of derivatives transactions, board of directors' approval dates and the matters required to be carefully evaluated under the procedure shall be recorded in detail.

Article 19 Internal audit system

Internal audit personnel should examine periodically the adequacy of the derivative transactions internal control and audit the compliance with the procedures for derivatives trading of the Audit Office monthly with an audit report issued. The Audit Committee should be notified in writing for any serious nonconformity identified.

Chapter 4 Corporate merger, spins-off, acquisition, and assignment of shares

Article 20 Assessment and operating procedures

1. Decisions that involve merger, divestment, acquisition, or share exchange shall be consulted with lawyers, accountants and underwriters to determine the proper legal procedures and timeline. A special project team shall be assembled to execute the project. Before the consideration of the Board of Directors, the Company shall ask the accountant, lawyer, or securities brokerage to issue the opinion regarding the exchange ratio, subscription price, or reasonableness of the cash or other property distributed to the shareholders, and shall obtain the consent of more than one half of the Audit Committee, and submit to the Board meeting for discussion and resolution. The opinion from the experts on rationality as mentioned could be waived for the merger between the company and a subsidiary where the company directly or indirectly holds 100% of its stake or total capital, or between subsidiaries where the company directly or indirectly holds 100% of their stake or total capital.
2. A public document to shareholders detailing important contractual content and matters relevant to the merger, demerger or acquisition shall be prepared prior to the shareholders' meeting and be included along with the expert opinion under the previous paragraph and notice of the shareholders' meeting for reference in deciding whether to

approve the merger, demerger or acquisition. However, the corporate merger, spins-off, or acquisition that does not have to be resolved in the shareholders' meeting according to other governing regulations is not subject to the requirement.

3. If any participant of the business merger, divestment, or takeover is unable to convene a shareholder meeting, produce a resolution, or if the motion is voted down by shareholders due to insufficient attendants, minimum votes, or other legal restrictions, then the participants of the business merger, divestment, or acquisition shall immediately announce to the public the causes of the discontinuance, their follow-up actions, and the estimated date of the next shareholder meeting.

Article 21: Dates of the Board Meeting and Shareholders Meeting

1. For the merger, spins-off, or acquisition of a company, unless otherwise required by law or due to special factors must report to the FSC in advance, the board meeting and the shareholders' meeting should be convened in the same day to resolve the matters related to the corporate merger, spins-off, and acquisition.
2. For the assignment of shares of a company, unless otherwise required by law or due to special factors must report to the FSC in advance, the board meeting should be convened in the same day.

Article 22: Retention of Written Records: Disclosure and Filing

1. When engaging in a merger, demerger, transfer of shares or acquisition of another company, the Company shall document the following records and retain them for five years for future reference:
 - (1) Personnel information: including the title, name, and identity card number (or passport number for foreigners) of the personnel involved in a merger, spins-off, acquisition, or assignment of shares, or, the plan executor.
 - (2) Date of significant events: including the date of signing a letter of intent or memorandum, commissioning a financial or legal adviser, signing a contract, and convening a board meeting.
 - (3) Important documents and minutes of meeting: including the documents of the merger, spins-off, acquisition, or assignment of shares plans, letters of intent or memorandum, important contracts, minutes of board meeting.
2. The Company shall file the data under subparagraphs 1 and 2 of the foregoing paragraph with the FSC in the specified format through the online information system within 2 days from the resolution of the Board meeting.
3. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the

company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding paragraphs.

Article 23: Written Commitment of Confidentiality

The personnel participate in or are aware of the merger, spins-off, acquisition, or assignment of shares plan shall issue a written commitment of confidentiality not to disclose the plan to any third party before it is made known to the public and not to purchase the stock or equity-type securities of the companies related to the merger, spins-off, acquisition, or assignment of shares in their own names or others'.

Article 24: Exchange Ratio or Subscription Price

For the Company's participating in the merger, spins-off, acquisition, or assignment of shares, the swap ratio or purchase price, except for in the following circumstances, shall not be changed arbitrarily; also, the tolerable changes of the swap ratio or purchase price should be detailed in the merger, spins-off, acquisition, or assignment of shares contract:

1. Process cash capital increase and issue convertible bonds, stock dividends, bonds with stock option, preferred shares with stock option, stock options certificate, and other equity-type securities.
2. Disposal of major assets that affects the Company's financial operations
3. The occurrence of significant disasters and major changes in technology that affects the Company's shareholders' equity or securities price.
4. The adjustment of treasury stock repurchased lawfully by any company that participates in the merger, spins-off, acquisition, or assignment of shares.
5. Changes in the entity or number of companies involved in the merger, spins-off, acquisition, or assignment of shares.
6. The other conditions for tolerable changes are defined in the contract and have been publicly disclosed.

Article 25: Required Contractual Provisions

The Company that participates in the merger, spins-off, acquisition, or assignment of shares should have the rights and obligations in the merger, spins-off, acquisition, or assignment of shares detailed in the contract, including the following information:

1. Event of default.
2. The principle for the process of the equity-type securities issued or treasury stock repurchased by the discontinued or spins-off company due to a merger.
3. The treasury stock to be repurchased lawfully by the involving company and the principle for its process after the base date for the calculation of stock swap ratio.
4. The process for the changes in the entity and the number of companies involved.

5. The expected progress of the project and the schedule of completion.
6. The process of convening a shareholders' meeting when the project is not completed on time.

Article 26: Other Information

After public disclosure of the information, if any company participating in the merger, demerger, acquisition or share transfer intends further to carry out a merger, demerger, acquisition or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition or share transfer, except where the number of participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve the matter anew.

For the company that is not a public company involved in a merger, spins-off, acquisition, or assignment of shares, it should have a contract signed with the Company in accordance with Article 22, Article 23, and Article 26.

Chapter 5 Other Important Information

Article 27: Investment in Subsidiaries

The Company and its affiliates shall always hold directly or indirectly the majority of the voting shares or capital of Lemtech Precision Material China Co. Ltd. (originally, Kuanshan Lemtech Precision Material Co. Ltd.).

Article 28: Penalties

Any employee who violates these Procedures while carrying out the acquisition or disposal of assets shall be reported for evaluation, and will receive punishment according to the severity of the violation.

Article 29: Creation and Amendment

1. The "Procedures for the Acquisition and Disposal of Assets" prescribed by the Company or the amendment thereof shall conform to the Regulations, and subject to the consent of the majority of the Audit Committee, shall be submitted to the shareholders meeting for approval after the resolution of the Board meeting.
2. If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.
3. When the acquisition or disposal of assets is proposed to the Board of Directors for discussion referred to above, it should fully consider the views of the independent directors. The objections or reservations of the independent directors, if any, should be stated in the minutes of the

Board meeting.

4. The terms "all audit committee members" and "all directors" shall be counted as the actual number of persons currently holding those positions.

Article 30: Miscellaneous

Any matter not prescribed in these Procedures shall be subject to the applicable laws.

Appendix 5. Shareholding of All Directors

Lemtech Holdings Co., Limited

Shareholding of All Directors

- I. As of May 2, 2022, the date for suspension of share transfer for this annual shareholders' meeting, the company's paid-in capital is NT\$625,207,750, and the total number of outstanding shares is 62,520,775.
- II. Details of shareholding of all directors on May 2, 2022, the date for suspension of share transfer:

Title	Name	Date elected	Current number of shares held	
			Shares	Percentage of shareholding
Chairman	Hsu, Chi-Feng	2021.07.05	8,363,981	13.38%
Vice Chairman	Chan Kim Seng Maurice	2021.07.05	5,844,618	9.35%
Director	Ye, Hang	2021.07.05	5,717,238	9.14%
Director	Tan, Yong	2021.07.05	2,104,016	3.37%
Independent director	Yang, Rui-Long	2021.07.05	0	0.00%
Independent director	Yu, Chi-Min	2021.07.05	0	0.00%
Independent director	Lee, Wei-Ming	2021.07.05	0	0.00%
Independent director	Chi-Chuan Wang	2021.07.05	0	0.00%
Independent director	Frank Cheng	2021.07.05	0	0.00%
Total shareholding of directors			22,029,853	35.24%

Note 1: Article 26 of the Securities and Exchange Act is not applicable to us.

Note 2: We have set up the Audit Committee; therefore, shareholding of supervisors is not applicable.