

Stock Code: 6613



NOVA TECHNOLOGY CORP.

Handbook for the 2021

Annual Meeting of Shareholders

(Translation)

Notice to readers

This English version handbook is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

MEETING TIME: May 25, 2021

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A. Meeting Procedure

NOVA TECHNOLOGY CORP.

Procedure for the 2021 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
4. Proposed Resolutions
5. Discussion Items
6. Questions and Motions
7. Adjournment

B. Meeting Agenda

NOVA TECHNOLOGY CORP.

2021 Annual Shareholders' Meeting Agenda

(Translation)

Time : 9:00 a.m on Tuesday, May 25, 2021

Place : 2F, No.76, Sec.2, Jiafeng S. Rd., Zhubei City, Hsinchu County 30272, Taiwan
(Zenfar APEC business center)

Chairman : Mr. Chin-Li Liang, Chairman of the Board of Directors.

1. Call the Meeting to Order

2. Chairman Remarks

3. Report Items:

- (1) To report the business of 2020.
- (2) 2020 Audit Committee's Review Report.
- (3) To report 2020 remuneration to directors and employees' compensation.
- (4) To report the cash dividend distribution of 2020.
- (5) To report the amendment of the Company's "Rules of Procedure for Board of Directors Meeting", "Corporate Governance Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Corporate Social Responsibility Best Practice Principles" and "Code of Ethical Conduct".

4. Proposed Resolutions:

- (1) To approve 2020 Business Report and Financial Statements.
- (2) To approve the proposal for distribution of 2020 profits.

5. Discussion Items:

- (1) To amend the Company's "Articles of Incorporation".
- (2) To amend the Company's "Rules of Procedure for Shareholder Meetings".
- (3) To amend the Company's "Procedure for Acquisition or Disposal of Assets".
- (4) To amend the Company's "Procedures for Election of Directors".

6. Questions and Motions

7. Adjournment

Report Items

Report No. 1 : To report the business of 2020. (Proposed by the Board of Directors)

Explanation : For the company's 2020 business reports and financial related statements are attached hereto as Attachments I, II. (page 10 ~ 30)

ReportNo. 2 : 2020 Audit Committee's Review Report. (Proposed by the Board of Directors)

Explanation : The Audit Committee's Review Report is attached hereto as Attachments III. (page 31)

Report No. 3: To report 2020 remuneration to directors and employees' compensation. (Proposed by the Board of Directors)

Explanation :

- (1) According to the Article 19-1 of the "Articles of Incorporation".
- (2) The company proposed to allocate 5% for employee compensation (not less than 3%) in the amount of NTD 27,568,965. It also planned to allocate 2% for the remuneration of directors (not higher than 5%) in the amount of NTD 11,027,586. The employees' and directors' remuneration are to be distributed in cash. There is no difference between the amount of employees' and directors' remuneration recognized in the 2020 financial statements.

Report No. 4 : To report the cash dividend distribution of 2020. (Proposed by the Board of Directors)

Explanation :

- (1) According to the "Articles of Incorporation", Board of directors approved to distribute 2020 cash dividends of NT\$ 8 per share, with a total amount of NT\$ 271,424,000 on February 22, 2021. When distributing cash dividends, the total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than one NT dollar shall be rounded up to the next NT dollar. The resulting difference shall be recognized as a Company expense.

- (2) If the number of total outstanding shares has changed due to any related matter and hence causes changes in dividend payout ratio, it is planned that the Chairman be authorized to make such adjustments.

Report No. 5 : To report the amendment of the Company's "Rules of Procedure for Board of Directors Meeting", "Corporate Governance Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Corporate Social Responsibility Best Practice Principles" and "Code of Ethical Conduct". (Proposed by the Board of Directors)

Explanation : In order to conform to the amendments of related laws the company hereby amended "Rules of Procedure for Board of Directors Meeting", "Corporate Governance Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Corporate Social Responsibility Best Practice Principles" and "Code of Ethical Conduct" are attached hereto as Attachments IV~VIII. (page 32~ 51)

Proposed Resolutions

Proposal No. 1 : To approve 2020 Business Report and Financial Statements.
(Proposed by the Board of Directors)

Explanation :

- (1) The Company's Financial Statements were audited and certified by Hai-Ning Huang and Tzu-Hsin Chang the CPA of KPMG Firm. The above-mentioned documents subsequently examined by Audit Committee.
- (2) 2020 Business Report, Independent Auditors' Report, and the aforementioned Financial Statements are attached hereto as Attachments I, II. (page 10 ~ 30)

Resolution :

Proposal No. 2 : To approve the proposal for distribution of 2020 profits.
(Proposed by the Board of Directors)

Explanation : The 2020 Profit Distribution Table as follows:

**NOVA TECHNOLOGY CORP.
PROFIT DISTRIBUTION TABLE
Year 2020**

Unit: NTD

Beginning retained earnings	425,525,785
Less: Reversal of special reserve	9,887,281
Less: Remeasurement of Defined Benefit Obligation	3,445,000
Add: Net Income of 2020	407,392,488
Less: 10% Legal reserve	41,083,749
Retained Earnings Available for Distribution as of December 31, 2020	805,166,805
Distribution items:	
Cash Dividend to shareholders (\$ 8 per share)(Note 1)	271,424,000
Unappropriated retained earnings	533,742,805

Note 1: Cash dividend distribution has been resolved by the Board of Directors and reported to this shareholder's meeting. Please refer to Report No. 4.

Resolution :

Discussion Items

Proposal No. 1 : To amend the Company's "Articles of Incorporation".
(Proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related laws and meet the needs of the company's operations, the company hereby proposes to amend "Articles of Incorporation".
- (2) The Comparison Table for the "Articles of Incorporation" Before and After Revision is attached hereto as Attachment IX (page 52 ~ 56).

Resolution :

Proposal No. 2 : To amend the Company's "Rules of Procedure for Shareholder Meetings". (Proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related laws and meet the needs of the company's operations, the company hereby proposes to amend "Rules of Procedure for Shareholder Meetings".

- (2) The Comparison Table for the "Rules of Procedure for Shareholder Meetings" Before and After Revision is attached hereto as Attachment X (page 57 ~ 59)

Resolution :

Proposal No. 3 : To amend the Company's "Procedure for Acquisition or Disposal of Assets". (Proposed by the Board of Directors)

Explanation :

- (1) In order to meet the needs of the company's operations, the company hereby proposes to amend "Procedure for Acquisition or Disposal of Assets".
- (2) The Comparison Table for the "Procedure for Acquisition or Disposal of Assets" Before and After Revision is attached hereto as Attachment XI (page 60 ~ 62)

Resolution :

Proposal No. 4 : To amend the Company's "Procedures for Election of Directors" (Proposed by the Board of Directors)

Explanation :

- (1) In order to conform to the amendments of related laws, the company hereby proposes to amend "Procedures for Election of Directors".
- (2) The Comparison Table for the "Procedures for Election of Directors" Before and After Revision is attached hereto as Attachment XII (page 63 ~ 65)

Resolution :

Questions and Motions

Adjournment

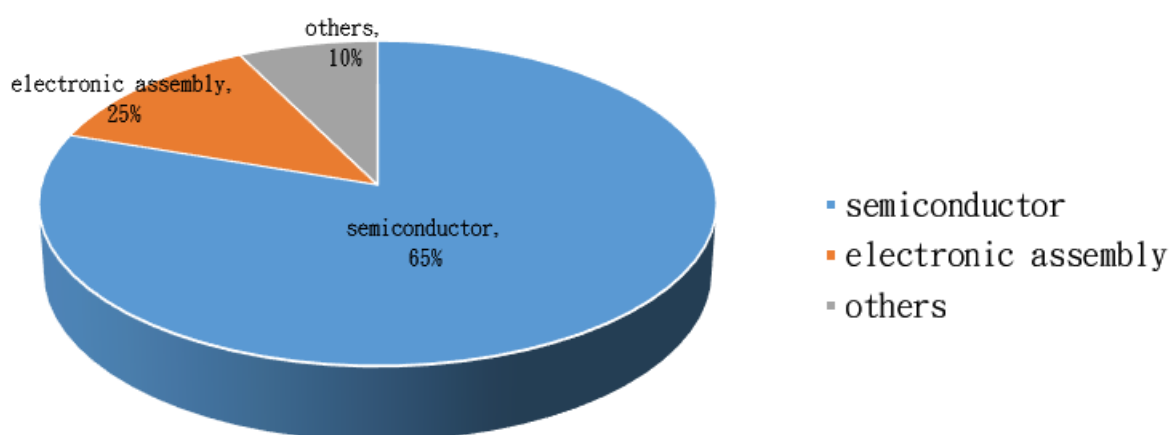
Business Report of 2020

2020 Business Review

A. Implementation results of business plan

In 2020, the trade war between China and the United States and covid-19 pandemic led to a decrease in overall revenue. The consolidated operating revenue in 2020 reached NTD 3,877 million, which declined 12% compared to last year. In terms of profit, the consolidated net profit after tax of 2020 was NTD 407 million, dropped 19% compared to last year.

Operating Revenue Type Ratio



Unit: NTD thousands, %

Item	2020	2019	Diff.
Operating revenue	3,877,444	4,406,270	(12.0)
Operating Cost	2,921,911	3,339,223	(12.5)
Gross profit	955,533	1,067,047	(10.5)
Operating expenses	361,037	400,911	(9.9)
Operating income	594,496	666,136	(10.8)
Non-Operating income and expenses	(21,924)	40,396	(154.3)
Income before income taxes	572,572	706,532	(19.0)

(1) State of 2020 budget implementation :

This item is not applicable since Nova Tech has not disclosed any financial forecasts.

(2) Financial structure and profitability

Item		2019	2018	
Financial Structure	Debt to asset ratio (%)	52.03	48.13	
	Long-term capital to property, plant and equipment (%)	1,957.56	1,801.48	
Solvency	Current ratio (%)	203.00	227.59	
	Quick ratio (%)	159.84	178.86	
Profitability	Return on assets (%)	8.91	11.42	
	Return on stockholders' equity (%)	17.81	21.83	
	Ratio to issued capital (%)	Operating income	175.22	196.34
		Pre-tax income	168.76	208.24
	Profit ratio (%)	10.51	11.28	
Basic after-tax EPS (NTD)	12.01	14.65		

B. Technology and R&D Overview:

Although facing the overall economic slump, Nova Tech actively invests in R&D aspect. The R&D department continuously develops various innovative engineering methods and equipment improvements for different industries and projects in order to meet customers' needs and enhance our advantages. Described as below:

- (1) Process waste solvent and waste TMAH recycling and reuse: cooperate with foreign companies and domestic institutes to develop high-purification and reuse of chemicals with rectification technology as the core technology.

The amount of process TMAH is increasing day by day. Our company cooperate with top domestic institutes to focus on the high-concentration waste TMAH solution recovery system that can be handled by the customers in their plants. Followings are the advantages:

- Reduce the cost of removing sludge and waste liquid for electro-optical customers.
- Reduce the operation cost of wastewater treatment plant for electro-optical customers.
- In purpose of reaching circular economy, recycling valuable chemicals in waste liquids, such as H₃PO₄, aluminum, etc.
- Produce other chemicals with high economic value, such as Iron(II) phosphate, Tricalcium phosphate, etc.

Applied in the current electro-optical customers' plants to help they reduce production costs and improve process recovery rate to achieve the circular economy. Using fractional distillation to separate residual liquid and distillate, then generate ferric phosphate via low temperature crystallization technique. This technology has preliminary results in TMAH recycling and the related patent is under application.

- (2) Recent years, global climate anomalies and environment changes have increasingly attracted worldwide attention. The Company actively cooperates with various universities, colleges and companies to evaluate the recycling and reuse technology of chemicals in high-tech industries. In view of the fact that organic solvents escape into the air, in addition to polluting the environment, they can also cause many hazards such as carcinogenicity, mutagenicity, acute toxicity, harm the human central nervous system, and result in skin diseases. The Company has cooperated with German manufacturers to introduce a thin-film VOC recovery system, which can be effectively installed in sites contain volatile organic compound to prevent volatile pollutants from escaping into the atmosphere, reduce environmental pollution, and eliminate harm to the human body.

- (3) HPC High pressure single wafer cleaner

Purpose: For wet and related process of higher performance and cleanliness. In other words, verify air & liquid pattern in Chamber.

Function: By automatic transferring, perform high pressure/ dual media/ dry type cleaning to single wafer in particular chamber to achieve requirement of high level cleanliness.

Critical technology: Unique chamber design/ media pattern control/ swing infeeding ARM/ fully automatic transferring system. This development can be widely used in the Final Clean for 4"&6" wafer, cleaning process for 8"&12" wafer in high-end packaging. Based on this technology, it can also be developed into high-end 12" wafer process applications such as Lift-off & PR Stripper & UBM Etch... etc.

(4) Optimization design for fully type robot arm in Wet Bench

Purpose: By optimizing the robot arm, the mechanical performance will be improved meanwhile assembly can be simplified to lower the cost of robot implementation and improve performance of related process.

Function: Movement of X(transferring), Y(lifting), R(gripping) axis are built by servo driven Rack and ball screw system.

Critical technology: New design mechanism in robot arm to reduce shape for adapting small size application with higher requirement of precision. Such as cassetteless type bench application in the advanced front-end wafer production, etc. This development can be also used in wet bench and high precision transferring.

Business Plan for 2021

A. Business objectives

- (1) Implement corporate governance and deepen corporate culture.
- (2) Sustaining the relationship with existing customers in Taiwan, mainland China and Southeast Asia, developing new customers to improve operational efficiency.
- (3) Strengthen cooperation with international partners and deepen the professional and technical capabilities of green energy, water resources engineering as well as high-tech manufacture equipment.
- (4) Recruiting multiple talents and actively training management teams.

B. Sales forecast and sales policy

According to estimation from SEMI, the strong growth of global semiconductor equipment market continues. Besides the demand for semiconductor front-end and back-end equipment, the growth trend is expected to go on in year of 2021 and 2022 under the support of application from technologies such as 5G and high-performance computing. The global market will grow in the next two years.

The market for front-end fab equipment (including wafer process, fab facilities, and mask equipment) will grow by 15% in 2020 to reach 59.4 billion US dollars. It is expected to have 4% and 6% growth in 2021 and 2022 respectively. And the foundry and logic department, which accounts for about half of the total sales of wafer manufacturing equipment, whose year expenditure has shown a double-digit mid-range growth rate of 30 billion US dollars thanks to the massive investment in advanced technology; the growth of expenditures in NAND flash memory manufacturing equipment is 30%, exceeding 14 billion US dollars, DRAM is expected to stimulate the growth in year of 2021 and 2022.

In terms of regions, China, Taiwan, and South Korea are the leading groups in the equipment spending in 2020. With continued investment in foundry and memory sectors, China will rank first place in the overall semiconductor equipment market for the first time this year; South Korea is expected to lead the world in 2021 due to the recovery of memory investment and increasing logic investment. The equipment spending in Taiwan remains strong because of continuous investment in advanced logic foundry. The report also possesses optimistic attitude that other regions will also grow in the next two years.

Future development strategy

High-tech process supply systems are mainly used in semiconductor, optoelectronics, and other high-investment industries, where safety and quality requirements are competitive. The technology and demand of high-tech industries are changing with each passing day, which can adapt to the changes in the market and raise the development of the business, so that they can survive and grow rapidly under the elimination mechanism of market. In the situation where the competition between domestic and foreign peers has become more intense, technological capabilities, scale economies, efficiency enhancement, and integration services are the winning factors. In view of this, the company continued to carry out research and development of related products, seeking cooperation between domestic and foreign advanced products and manufacturers, and constantly self-improvement, in response to market demand and future development. The Company will seek for the opportunities in integration of industrial up-stream and down-stream to increase the overall synergy.

Due to climate and environmental changes, water shortages are spreading throughout the world. The World Meteorological Organization predicts that one billion people will face drinking water crisis in the global coastal areas in 2050. Our company has cooperated with international water resources professional companies to develop water resources related system equipment and engineering to provide customers with the best solutions and services, and to take the responsibilities of global citizens.

The impact of the External Competitive Environment, Regulatory Environment and Macroeconomic Conditions

A. External competitive environment

In the situation where the competition between domestic and foreign peers has become more intense, technological capabilities, economies of scale, efficiency enhancement, and integration services are the winning factors. The implementation of professional technology is the only ways to expand the space for career development and create vitality. In current industrial competition pattern, we can quickly grasp the source of raw materials and provide customers with faster and more advanced products and services, which are the important factors related to being the leader in the industry. In view of this, our company continued to carry out research and development of related products, seeking cooperation and products through domestic and foreign, and constantly self-improvement, in response to market demand and future development.

B. Regulatory environment

Our company regularly reviews changes in laws and regulations and complies with the requirements of the competent authorities and upholds the concept of upright management. As a whole, changes in the regulatory environment will have no great impact on our company.

C. Macroeconomic conditions

Looking forward to 2021, the global economy and industries still face the threat of the epidemic and other factors. Semiconductors, electric vehicles, scenario of price increases and 5G, long-distance demand are regarded as the star industries for 2021. It is optimistic that the harsh supply and demand situation in the semiconductor industry in 2020 will continue in 2021. The World Semiconductor Trade Statistics (WSTS) estimates that the global semiconductor market value is expected to increase by about 8.4% in 2021; the research institute IC Insights also predicts that the semiconductor market will grow by more than 10% in 2021.

Important production and sales policies

In recent years, our company has continuously researched and developed high-tech industrial process equipment and the surrounding pipeline engineering design and overall system to provide customers with competitive customized equipment and services. In addition to working in Mainland China for many years, we also follow government's promotion of South moving policy and the trend

of the rise in Southeast Asian region, company has set up a subsidiary in Singapore to help expand overseas markets.

Production and sales policies will keep bringing out advantages and grasp current opportunities, we will continue to meet customers' needs to consolidate existing customers and develop new customers in order to maintain steady growth in company business and profitability. As a production, we continue to strengthen our design capabilities, and on the premise of ensuring the production of high-quality equipment, we have expanded equipment manufacturing capacity in mainland China and steadily move forward.

Corporate Social Responsibility

"Happy employees, satisfied customers, and sustainable environment" is the goal and responsibility of Nova Technology. Adhering to the goal is to start from the surrounding stakeholders, create team benefits, and create a sustainable Nova Technology. The customer's attempt is our mission, to reach goal is the spirit of Nova Technology, satisfying customers and applying core skills as well as adding the environmental protection elements to customer needs, reducing the environmental impact of the production process, and pursuing win-win symbiosis.

In addition, "Sincerity, Trustworthy, Simple, Steady" has always been the consistent corporate culture of Nova Technology to pursuit of sustainable management. We know that the sustainable development of the company is maintained by good communication and interaction with all stakeholders. We also hope to gradually integrate corporate social responsibility into daily operations and corporate behavior, so that every member of our company will feedback to society and be friendly to the environment. In terms of talent cultivation, we cooperate with institutes to provide students with opportunities to enter the industry. At the same time, we will promote the mentoring system, new employee orientation, promote the elite school, and create a growth stage.

Nova Technology implements the government's promotion of work safety and health management, requesting each project to be based on standard operating mode, ensuring the safety management of the site's work, and promoting notices. We strictly request the safety equipment and protection to be checked from time to time during the construction process to ensure that all executives successfully complete the project and return home safely.

All the personnel of Nova Technology uphold the company's "Tomorrow to be Better" concept and continue to overcome difficulties. We hope to provide customers with satisfactory services and the greatest benefit for shareholders with excellent products, better solutions and quality.

Sincerely,

Chairman: Chin-Li Liang

President: Wei Ma

Financial and Accounting Manager: Chun-Yen Ou



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KPMG

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Independent Auditors' Report

To the Board of Directors of Nova Corporation:

Opinion

We have audited the consolidated financial statements of Nova Corporation (the "Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. 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. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Recognition of construction contract revenue (including estimated total budget cost)

Please refer to Note 4(9) "Revenue (Revenue from contract with customers)", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 6(16) "Revenue from contracts with customers" to the consolidated financial statements.



Description of key audit matter:

The Group recognized its revenue by using the percentage of completion method. The completion level is based on the cost for each contract at year-end. The management will re-evaluate the cost if the total budget had significantly increased or decreased, and will recalculate the percentage of completion in accordance with the adjusted cost. The accuracy of the construction contract revenue may be affected by the completion level and appropriateness of the estimation of total budget cost. Thus, we considered the recognition of revenue as one of the key matters of our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: reviewing significant contracts to understand the specific terms and risks of each contract; testing the key internal controls of the revenue cycle to confirm the significant risk of the abnormality. Also, enquiring with the management and updating the preparation and approval process of the estimated cost of the contracts; understanding the process of accounting estimates made by the management and considering other evidences to evaluate the management's assumptions on the completeness of construction revenue; checking the differences between the estimated total budget cost and the actual cost of the construction contract. Furthermore, considering whether the management has estimated the cost that had not been invested before the completion date, and the possibility of reversal on the expected price are appropriate and reasonable; as well as assessing whether the revenue is in accordance with the relevant regulations, and the cost is appropriately disclosed.

2. Valuation of receivables

Please refer to Note 4(7) "Financial instruments", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 6(3) "Notes receivable, Accounts receivable and overdue receivable, net" to the consolidated financial statements.

Description of key audit matter:

The recoverability of the Group's accounts receivable is related to the economic cycle and customer operations. The management measures the financial position of the customers and assesses the expected credit losses arising from all possible defaults during the expected life of the accounts receivable. The assessment of the impairment loss of receivables is determined by management judgment. Therefore, the valuation of accounts receivable is one of the key matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: checking the completeness and accuracy of the aging analysis; understanding and evaluating the assessment performed by management relating to receivables that are overdue; vouching to the receipt after the year end, and understanding the collectability of remaining amount; assessing the adequacy of loss allowance provided by the Group; and evaluating the adequacy of the Group's disclosures in the accounts.

3. Accrual of construction contract losses

Please refer to Note 4(9) "Revenue (Cost from contracts with customers)", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 9(4) "Significant Commitments and Contingencies" to the consolidated financial statements.



Description of key audit matter:

If the Group assesses that the contract cost that has been incurred is “unlikely to be recovered” then will make an accrual for the loss and recognize it as an expense immediately. The accrual of the losses involves management judgment so that the estimation of construction contract losses is one of the key matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: Comparing the actual amount of construction contract losses and loss provisions accrued in the past; assessing and understanding how the management estimates the losses, including the method of assessment, whether the source of the information is appropriate, and the possibility to correct the accounting estimates; evaluating the appropriateness of accounting principles and related disclosures. In addition, if the completion of the contract is subject to the outcome of pending litigation or legislation, the construction contract losses will also be evaluated in accordance with IAS 37.

Other Matter

The Company has prepared its parent company only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit committee) are responsible for overseeing the Group’s financial reporting process.

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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ning Huang and Tzu-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2021

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Nova Corporation and subsidiaries
Consolidated Balance Sheets
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets:											
1100	Cash and cash equivalents (note 6(1))	\$ 1,681,401	35	1,619,701	38	2100	Short-term borrowings (note 6(9))	\$ 301,000	6	-	-
1110	Current financial assets at fair value through profit or loss (note 6(2))	46,495	1	30,031	1	2150	Notes payable	34,823	1	21,418	-
1150	Notes receivable, net (note 6(3))	74,506	2	89,070	2	2170	Accounts payable	651,730	13	1,035,735	24
1170	Accounts receivable, net (note 6(3))	1,548,877	32	1,259,152	29	2130	Current contract liabilities (notes 6(16) and 7)	797,508	16	309,953	7
1140	Current contract assets (notes 6(16) and 7)	708,880	14	347,258	8	2201	Salaries and bonus payable	129,059	3	138,955	4
1210	Other receivables due from related parties, net (note 7)	152	-	184	-	2250	Provision-current (note 6(11))	103,837	2	123,711	3
1310	Inventories, net (note 6(4))	160,556	3	474,573	11	2280	Current lease liabilities (note 6(10))	22,996	1	17,001	-
1421	Prepayments to suppliers	90,568	2	59,267	1	2399	Other current liabilities	183,700	4	161,096	4
1476	Other current financial assets (notes 6(5) and 8)	198,042	4	218,320	5			<u>2,224,653</u>	<u>46</u>	<u>1,807,869</u>	<u>42</u>
1479	Other current assets	6,512	-	17,036	-						
		<u>4,515,989</u>	<u>93</u>	<u>4,114,592</u>	<u>95</u>						
Non-current assets:											
1550	Investments accounted for using equity method (note 6(6))	112,500	2	-	-	2570	Deferred tax liabilities (note 6(13))	253,541	5	226,144	5
1600	Property, plant and equipment (note 6(7))	134,268	3	140,068	3	2580	Non-current lease liabilities (note 6(10))	16,611	-	16,765	-
1755	Right-of-use assets (note 6(8))	38,886	1	33,362	1	2640	Net defined benefit liability, non-current (note 6(12))	30,021	1	33,628	1
1840	Deferred tax assets (note 6(13))	46,535	1	36,078	1			<u>300,173</u>	<u>6</u>	<u>276,537</u>	<u>6</u>
1990	Other non-current assets (note 6(3))	4,854	-	7,068	-			<u>2,524,826</u>	<u>52</u>	<u>2,084,406</u>	<u>48</u>
		<u>337,043</u>	<u>7</u>	<u>216,576</u>	<u>5</u>						
Total assets		<u>\$ 4,853,032</u>	<u>100</u>	<u>4,331,168</u>	<u>100</u>						
Liabilities and Equity											
Current liabilities:											
Non-Current liabilities:											
Total liabilities											
Equity (note 6(14)):											
Total equity											
Total liabilities and equity											

See accompanying notes to consolidated financial statements.

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

Nova Corporation and subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		For the years ended December 31,			
		2020		2019	
		Amount	%	Amount	%
4000	Net Operating revenue (notes 6(16) and 7)	\$ 3,877,444	100	4,406,270	100
5000	Operating costs (notes 6(4), (10), (12) and 7)	<u>2,921,911</u>	<u>75</u>	<u>3,339,223</u>	<u>76</u>
	Gross profit	<u>955,533</u>	<u>25</u>	<u>1,067,047</u>	<u>24</u>
	Operating expenses (notes 6(3), (10), (12), (18) and 7):				
6100	Selling expenses	68,042	2	77,513	2
6200	Administrative expenses	186,089	5	192,040	4
6300	Research and development expenses	118,335	3	108,326	2
6450	Expected credit impairment loss (gain)	<u>(11,429)</u>	<u>-</u>	<u>23,032</u>	<u>1</u>
		<u>361,037</u>	<u>10</u>	<u>400,911</u>	<u>9</u>
	Net operating income	<u>594,496</u>	<u>15</u>	<u>666,136</u>	<u>15</u>
	Non-operating income and expenses:				
7100	Interest income(note 6(17))	15,425	1	19,423	-
7020	Other gains and losses, net (note 6(17))	(35,284)	(1)	22,233	1
7050	Finance costs (notes 6(10) and (17))	<u>(2,065)</u>	<u>-</u>	<u>(1,260)</u>	<u>-</u>
		<u>(21,924)</u>	<u>-</u>	<u>40,396</u>	<u>1</u>
7900	Income before income tax	572,572	15	706,532	16
7950	Less: income tax expenses (note 6(13))	<u>165,180</u>	<u>4</u>	<u>209,591</u>	<u>5</u>
	Net Income	<u>407,392</u>	<u>11</u>	<u>496,941</u>	<u>11</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Losses on remeasurements of defined benefit plans (note 6(12))	3,445	-	(9,478)	-
8349	Income tax related to items that will not be reclassified subsequently	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>3,445</u>	<u>-</u>	<u>(9,478)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	12,359	-	(46,990)	(1)
8399	Income tax related to items that may be reclassified subsequently (note 6(13))	<u>(2,472)</u>	<u>-</u>	<u>9,398</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>9,887</u>	<u>-</u>	<u>(37,592)</u>	<u>(1)</u>
8300	Other comprehensive income	<u>13,332</u>	<u>-</u>	<u>(47,070)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 420,724</u>	<u>11</u>	<u>449,871</u>	<u>10</u>
	Earnings per share (New Taiwan Dollars) (note 6(15))				
9750	Basic earnings per share	<u>\$ 12.01</u>		<u>14.65</u>	
9850	Diluted earnings per share	<u>\$ 11.93</u>		<u>14.57</u>	

See accompanying notes to consolidated financial statements.

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

Nova Corporation and subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share capital	Capital surplus	Retained earnings			Total	Exchange differences on translation of foreign financial statements	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings			
Balance as of January 1, 2019	\$ 339,280	866,545	170,449	26,176	943,803	1,140,428	(40,442)	2,305,811
Net income for the period	-	-	-	-	496,941	496,941	-	496,941
Other comprehensive income for the period	-	-	-	-	(9,478)	(9,478)	(37,592)	(47,070)
Total comprehensive income for the period	-	-	-	-	487,463	487,463	(37,592)	449,871
Appropriation and distribution of retained earnings:								
Appropriation for legal reserve	-	-	55,985	-	(55,985)	-	-	-
Appropriation Special reserve	-	-	-	14,266	(14,266)	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	(508,920)	(508,920)	-	(508,920)
Balance as of December 31, 2019	<u>339,280</u>	<u>866,545</u>	<u>226,434</u>	<u>40,442</u>	<u>852,095</u>	<u>1,118,971</u>	<u>(78,034)</u>	<u>2,246,762</u>
Net income for the period	-	-	-	-	407,392	407,392	-	407,392
Other comprehensive income for the period	-	-	-	-	3,445	3,445	9,887	13,332
Total comprehensive income for the period	-	-	-	-	410,837	410,837	9,887	420,724
Appropriation and distribution of retained earnings:								
Appropriation for legal reserve	-	-	49,695	-	(49,695)	-	-	-
Appropriation for special reserve	-	-	-	37,592	(37,592)	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	(339,280)	(339,280)	-	(339,280)
Balance as of December 31, 2020	<u>\$ 339,280</u>	<u>866,545</u>	<u>276,129</u>	<u>78,034</u>	<u>836,365</u>	<u>1,190,528</u>	<u>(68,147)</u>	<u>2,328,206</u>

See accompanying notes to consolidated financial statements.

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

Nova Corporation and subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2020	2019
Cash flows from operating activities:		
Income before income tax	\$ 572,572	706,532
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	35,487	31,185
Expected credit Impairment loss (gain)	(11,429)	23,032
Net gain on reclassification of financial assets	(1,038)	(31)
Interest expense	2,065	1,260
Provision for inventory devaluation loss (reversal)	3,246	(196)
Interest income	(15,425)	(19,423)
Others	2,926	2,861
Total adjustments to reconcile profit (loss)	<u>15,832</u>	<u>38,688</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(264,422)	235,382
Contract assets	(361,622)	(265,322)
Inventories	310,594	(167,219)
Other current assets	(22,149)	252,402
Total changes in operating assets	<u>(337,599)</u>	<u>55,243</u>
Changes in operating liabilities:		
Contract liabilities	487,555	(232,704)
Notes and accounts payable	(370,600)	152,867
Accounts payable–related parties	-	(2,961)
Accrued expenses and other current liabilities	20,525	(12,924)
Total changes in operating liabilities	<u>137,480</u>	<u>(95,722)</u>
Total adjustments	<u>(184,287)</u>	<u>(1,791)</u>
Cash flows generated from operations	388,285	704,741
Interest received	15,425	19,423
Interest paid	(2,065)	(1,260)
Income taxes paid	(179,285)	(151,736)
Net cash flows from operating activities	<u>222,360</u>	<u>571,168</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(32,132)	(30,000)
Proceeds from disposal of financial assets at fair value through profit or loss	16,706	-
Acquisition of investments accounted for using equity method	(112,500)	-
Acquisition of property, plant and equipment	(7,087)	(9,261)
Proceeds from disposal of property, plant and equipment	13	-
Decrease (increase) in other financial assets–current	21,682	(50,000)
Increase in other non–current assets	(730)	(1,431)
Net cash flows used in investing activities	<u>(114,048)</u>	<u>(90,692)</u>
Cash flows from financing activities:		
Increase in short-term loans	301,000	-
Payment of lease liabilities	(21,897)	(18,967)
Cash dividends paid	(339,280)	(508,920)
Net cash flows used in financing activities	<u>(60,177)</u>	<u>(527,887)</u>
Effect of exchange rate changes	<u>13,565</u>	<u>(50,613)</u>
Net increase (decrease) in cash and cash equivalents	61,700	(98,024)
Cash and cash equivalents at beginning of period	1,619,701	1,717,725
Cash and cash equivalents at end of period	<u>\$ 1,681,401</u>	<u>1,619,701</u>

See accompanying notes to consolidated financial statements.

Independent Auditors' Report

To the Board of Directors of Nova Technology Corporation:

Opinion

We have audited the accompany parent company only financial statements of Nova Technology Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompany parent company only financial position of the Company as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters should be reflected in our report are as follow:

1. Recognition of construction contract revenue (including estimated total budget cost)

Please refer to Note 4(8) "Revenue (Revenue from contract with customers)", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 6(16) "Revenue from contracts with customers" to the parent company only financial statements.

Description of key audit matter:

The Company recognized its revenue by using the percentage of completion method. The completion level is based on the cost for each contract at year-end. The management will re-evaluate the cost if the total budget had significantly increased or decreased, and will recalculate the percentage of completion in accordance with the adjusted cost. The accuracy of the construction contract revenue may be affected by the completion level and appropriateness of the estimation of total budget cost. Thus, we considered the recognition of revenue as one of the key matters of our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: reviewing significant contracts to understand the specific terms and risks of each contract; testing the key internal controls of the revenue cycle to confirm the significant risk of the abnormality. Also, enquiring with the management and updating the preparation and approval process of the estimated cost of the contracts; understanding the process of accounting estimates made by the management and considering other evidences to evaluate the management's assumptions on the completeness of construction revenue; checking the differences between the estimated total budget cost and the actual cost of the construction contract. Furthermore, considering whether the management has estimated the cost that had not been invested before the completion date, and the possibility of reversal on the expected price are appropriate and reasonable; as well as assessing whether the revenue is in accordance with the relevant regulations, and the cost is appropriately disclosed.

2. Valuation of receivables

Please refer to Note 4(6) "Financial instruments", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 6(3) "Notes receivable, Accounts receivable and overdue receivable, net" to the parent company only financial statements.

Description of key audit matter:

The recoverability of the Company's accounts receivable is related to the economic cycle and customer operations. The management measures the financial position of the customers and assesses the expected credit losses arising from all possible defaults during the expected life of the accounts receivable. The assessment of the impairment loss of receivables is determined by management judgment. Therefore, the valuation of accounts receivable is one of the key matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: checking the completeness and accuracy of the aging analysis; understanding and evaluating the assessment performed by management relating to receivables that are overdue; vouching to the receipt after the year end, and understanding the collectability of remaining amount; assessing the adequacy of loss allowance provided by the Company; and evaluating the adequacy of the Company's disclosures in the accounts.

3. Accrual of construction contract losses

Please refer to Note 4(8) "Revenue (Cost from contracts with customers)", Note 5 "Major Sources of Accounting Judgments, Estimations and Assumptions of Uncertainty", and Note 9(4) "Significant Commitments and Contingencies" to the parent company only financial statements.

Description of key audit matter:

If the Company assesses that the contract cost that has been incurred is "unlikely to be recovered" then will make an accrual for the loss and recognize it as an expense immediately. The accrual of the losses involves management judgment so that the estimation of construction contract losses is one of the key matters for our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: Comparing the actual amount of construction contract losses and loss provisions accrued in the past; assessing and understanding how the management estimates the losses, including the method of assessment, whether the source of the information is appropriate, and the possibility to correct the accounting estimates; evaluating the appropriateness of accounting principles and related disclosures. In addition, if the completion of the contract is subject to the outcome of pending litigation or legislation, the construction contract losses will also be evaluated in accordance with IAS 37.

Responsibilities of Management and Those Charged with Governance for the parent company only Financial Statements

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

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

Those charged with governance (including the Audit committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ning Huang and Tzu-Hsin Chang.

KPMG

Taipei, Taiwan (Republic of China)
February 22, 2021

Notes to Readers

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

The independent auditors' report and the accompanying parent company only 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 parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Nova Technology Corporation

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2020		December 31, 2019			Liabilities and Equity	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:				
1100 Cash and cash equivalents (note 6(1))	\$ 666,038	19	582,036	18	2100 Short-term borrowings (note 6(9))	\$ 301,000	9	-	-	
1110 Current financial assets at fair value through profit or loss (note 6(2))	26,379	1	-	-	2150 Notes payable	34,823	1	21,418	1	
1150 Notes receivable, net (note 6(3))	-	-	567	-	2170 Accounts payable	275,102	8	477,126	14	
1170 Accounts receivable, net (note 6(3))	392,368	11	472,108	14	2180 Accounts payable - related parties (notes 7)	-	-	1,651	-	
1180 Accounts receivable - related parties, net (notes 6(3) and 7)	1,355	-	-	-	2130 Current contract liabilities (notes 6(16) and 7)	105,583	3	161,913	5	
1140 Current contract assets (notes 6(16) and 7)	372,706	11	493,548	15	2201 Salaries and bonus payable	67,848	2	79,512	2	
1310 Inventories, net (note 6(4))	8,916	-	33,977	1	2250 Provision-current (note 6(11))	16,391	-	16,017	1	
1421 Prepayments to suppliers	13,126	1	23,492	1	2280 Current lease liabilities (note 6(10))	4,686	-	5,575	-	
1476 Other current financial assets (notes 6(5) and 8)	147,457	4	166,721	5	2399 Other current liabilities	23,079	1	44,258	1	
1479 Other current assets	1,765	-	10,183	-		828,512	24	807,470	24	
	<u>1,630,110</u>	<u>47</u>	<u>1,782,632</u>	<u>54</u>						
Non-current assets:						Non-Current liabilities:				
1550 Investments accounted for using equity method (note 6(6))	1,704,825	50	1,423,052	43	2570 Deferred tax liabilities (note 6(13))	253,541	7	226,144	7	
1600 Property, plant and equipment (note 6(7))	63,686	2	66,001	2	2580 Non-current lease liabilities (note 6(10))	6,492	-	5,358	-	
1755 Right-of-use assets (note 6(8))	11,120	-	10,891	-	2640 Net defined benefit liability, non-current (note 6(12))	30,021	1	33,628	1	
1840 Deferred tax assets (note 6(13))	35,036	1	33,322	1		290,054	8	265,130	8	
1990 Other non-current assets (note 6(3))	1,995	-	3,464	-		<u>1,118,566</u>	<u>32</u>	<u>1,072,600</u>	<u>32</u>	
	<u>1,816,662</u>	<u>53</u>	<u>1,536,730</u>	<u>46</u>						
		3				Total liabilities				
						Equity (note 6(14)):				
					3100 Ordinary share capital	339,280	10	339,280	10	
					3200 Capital surplus	866,545	25	866,545	26	
					3300 Retained earnings	1,190,528	35	1,118,971	34	
					3400 Other equity interest	(68,147)	(2)	(78,034)	(2)	
						<u>2,328,206</u>	<u>68</u>	<u>2,246,762</u>	<u>68</u>	
						Total equity				
Total assets	<u>\$ 3,446,772</u>	<u>100</u>	<u>3,319,362</u>	<u>100</u>		Total liabilities and equity	<u>\$ 3,446,772</u>	<u>100</u>	<u>3,319,362</u>	<u>100</u>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Nova Technology Corporation

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		For the years ended December 31,			
		2020		2019	
		Amount	%	Amount	%
4000	Net Operating revenue (notes 6(16) and 7)	\$ 1,718,210	100	1,912,720	100
5000	Operating costs (notes 6(4), (10), (12) and 7)	<u>1,478,268</u>	<u>86</u>	<u>1,572,503</u>	<u>82</u>
	Gross profit	<u>239,942</u>	<u>14</u>	<u>340,217</u>	<u>18</u>
	Operating expenses (notes 6(3), (10), (12) and(18)):				
6100	Selling expenses	5,003	-	5,408	-
6200	Administrative expenses	125,029	7	133,258	7
6450	Expected credit Impairment loss (gain)	<u>(4,298)</u>	<u>-</u>	<u>(467)</u>	<u>-</u>
		<u>125,734</u>	<u>7</u>	<u>138,199</u>	<u>7</u>
	Net operating income	<u>114,208</u>	<u>7</u>	<u>202,018</u>	<u>11</u>
	Non-operating income and expenses:				
7100	Interest income(note 6(17))	1,584	-	2,652	-
7020	Other gains and losses, net (note 6(17))	(36,205)	(2)	(7,215)	-
7050	Finance costs (notes 6(10) and (17))	(889)	-	(107)	-
7070	Share of profit of equity-accounted investees (Note 6(6))	<u>434,084</u>	<u>25</u>	<u>425,744</u>	<u>22</u>
		<u>398,574</u>	<u>23</u>	<u>421,074</u>	<u>22</u>
7900	Income before income tax	512,782	30	623,092	33
7950	Less: income tax expenses (note 6(13))	<u>105,390</u>	<u>6</u>	<u>126,151</u>	<u>7</u>
	Net Income	<u>407,392</u>	<u>24</u>	<u>496,941</u>	<u>26</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Losses on remeasurements of defined benefit plans (note 6(12))	3,445	-	(9,478)	-
8349	Income tax related to items that will not be reclassified subsequently	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that will not be reclassified subsequently to profit or loss	<u>3,445</u>	<u>-</u>	<u>(9,478)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	12,359	1	(46,990)	(2)
8399	Income tax related to items that may be reclassified subsequently (note 6(13))	<u>(2,472)</u>	<u>-</u>	<u>9,398</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>9,887</u>	<u>1</u>	<u>(37,592)</u>	<u>(2)</u>
8300	Other comprehensive income	<u>13,332</u>	<u>1</u>	<u>(47,070)</u>	<u>(2)</u>
	Total comprehensive income	<u>\$ 420,724</u>	<u>25</u>	<u>449,871</u>	<u>24</u>
	Earnings per share (New Taiwan Dollars) (note 6(15))				
9750	Basic earnings per share	<u>\$ 12.01</u>		<u>14.65</u>	
9850	Diluted earnings per share	<u>\$ 11.93</u>		<u>14.57</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

Nova Technology Corporation

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share capital	Capital surplus	Retained earnings			Total	Exchange differences on translation of foreign financial statements	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings			
Balance as of January 1, 2019	\$ 339,280	866,545	170,449	26,176	943,803	1,140,428	(40,442)	2,305,811
Net income for the period	-	-	-	-	496,941	496,941	-	496,941
Other comprehensive income for the period	-	-	-	-	(9,478)	(9,478)	(37,592)	(47,070)
Total comprehensive income for the period	-	-	-	-	487,463	487,463	(37,592)	449,871
Appropriation and distribution of retained earnings:								
Appropriation for legal reserve	-	-	55,985	-	(55,985)	-	-	-
Appropriation Special reserve	-	-	-	14,266	(14,266)	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	(508,920)	(508,920)	-	(508,920)
Balance as of December 31, 2019	<u>339,280</u>	<u>866,545</u>	<u>226,434</u>	<u>40,442</u>	<u>852,095</u>	<u>1,118,971</u>	<u>(78,034)</u>	<u>2,246,762</u>
Net income for the period	-	-	-	-	407,392	407,392	-	407,392
Other comprehensive income for the period	-	-	-	-	3,445	3,445	9,887	13,332
Total comprehensive income for the period	-	-	-	-	410,837	410,837	9,887	420,724
Appropriation and distribution of retained earnings:								
Appropriation for legal reserve	-	-	49,695	-	(49,695)	-	-	-
Appropriation for special reserve	-	-	-	37,592	(37,592)	-	-	-
Cash dividends distributed to shareholder	-	-	-	-	(339,280)	(339,280)	-	(339,280)
Balance as of December 31, 2020	<u>\$ 339,280</u>	<u>866,545</u>	<u>276,129</u>	<u>78,034</u>	<u>836,365</u>	<u>1,190,528</u>	<u>(68,147)</u>	<u>2,328,206</u>

See accompanying notes to parent company only financial statements.

Nova Technology Corporation**Statements of Cash Flows****For the years ended December 31, 2020 and 2019****(Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31,	
	2020	2019
Cash flows from operating activities:		
Income before income tax	\$ 512,782	623,092
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	9,140	8,092
Expected credit Impairment loss (gain)	(4,298)	(467)
Net gain on reclassification of financial assets	(917)	-
Interest expense	889	107
Provision for inventory devaluation loss (reversal)	(270)	145
Interest income	(1,584)	(2,652)
Investment income accounted for under the equity method	(434,084)	(425,744)
Others	1,640	1,777
Total adjustments to reconcile profit (loss)	(429,484)	(418,472)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	84,605	(176,644)
Contract assets	120,842	(300,027)
Accounts receivable-related parties	(1,355)	-
Inventories	25,331	(13,624)
Other current assets	16,366	115,821
Total changes in operating assets	245,789	(374,474)
Changes in operating liabilities:		
Notes and accounts payable	(188,619)	181,620
Accounts payable-related parties	(1,651)	1,651
Contract liabilities	(56,330)	76,306
Accrued expenses and other current liabilities	(10,546)	(24,298)
Total changes in operating liabilities	(257,146)	235,279
Total adjustments	(440,841)	(557,937)
Cash flows generated from operations	71,941	65,155
Interest received	1,584	2,652
Interest paid	(899)	(107)
Income taxes paid	(104,102)	(94,634)
Net cash flows from operating activities	(31,466)	(26,934)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(32,132)	-
Proceeds from disposal of financial assets at fair value through profit or loss	6,670	-
Acquisition of investments accounted for using equity method	(112,500)	-
Acquisition of property, plant and equipment	(349)	(1,403)
Dividends received	277,170	242,499
Decrease (increase) in other financial assets-current	21,682	(50,000)
Increase in other non-current assets	(338)	(640)
Net cash flows used in investing activities	(160,203)	190,456
Cash flows from financing activities:		
Increase in short-term loans	301,000	-
Payment of lease liabilities	(6,455)	(5,406)
Cash dividends paid	(339,280)	(508,920)
Net cash flows used in financing activities	(44,735)	(514,326)
Net increase (decrease) in cash and cash equivalents	84,002	(350,804)
Cash and cash equivalents at beginning of period	582,036	932,840
Cash and cash equivalents at end of period	\$ 666,038	582,036



朋億股份有限公司
NOVA TECHNOLOGY CORP.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements (included consolidated and individual), and proposal for allocation of profits. The CPA firm of KPMG was retained to audit Nova Technology Corporation's Financial Statements and has issued an audit report relating to the Financial Statements. The Business report, Financial Statements, and profit allocation proposal have been reviewed and determined to be correct and accurate by the Audit committee members of Nova Technology Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

NOVA TECHNOLOGY CORPORATION

Chairman of the Audit Committee: Hui-Yin Chiu

A handwritten signature in black ink, appearing to read 'Chiu, Hui Yin'.

February 22, 2021

Comparison Table of the Rules of Procedure for Board of Directors Meeting

Article	After revision	Before revision
Article 5	<p>Preparation of documents such as scrapbooks and delegation of directors</p> <p>When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.</p> <p>Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person and should sign the card by fax to sign on behalf of the group.</p> <p>A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.</p> <p>The proxy referred to in paragraph 2 may be the appointed proxy of only one person.</p>	<p>Preparation of documents such as scrapbooks and delegation of directors</p> <p>When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.</p> <p>Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person and should sign the card by fax to sign on behalf of the group.</p> <p>A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.</p> <p>The proxy referred to in paragraph 2 may be the appointed proxy of only one person.</p>
Article 7	<p>Board of Directors' Chairperson and Agent</p> <p>Board meetings shall be <u>are</u> convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p><u>Where a board meeting is convened by a majority of the directors in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall select from among themselves one director to serve as chair.</u></p> <p>When the chairperson of the board is on leave or for any reason unable to exercise</p>	<p>Board of Directors' Chairperson and Agent</p> <p>Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.</p> <p>When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the</p>

Article	After revision	Before revision
	<p>the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any reason unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	<p>managing directors to act, or, if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>
<p>Article 12</p>	<p>The following matters should be discussed in the Company Board of Directors:</p> <ol style="list-style-type: none"> 1. The company's operating plan. 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be <u>financial reports, and financial reports for the second quarter,</u> audited and attested by a certified public accountant (CPA). <p style="text-align: center;">:</p>	<p>The following matters should be discussed in the Company Board of Directors:</p> <ol style="list-style-type: none"> 1. The company's operating plan. 2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA). <p style="text-align: center;">:</p>
<p>Article 15</p>	<p>Recusal system for directors</p> <p>If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p><u>A director is deemed to be an interested party with respect to an agenda item in respect of which its spouse or a blood relative within the second degree of kinship, or a company with a controlling or subordinate relation with the director, is an interested party.</u></p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at</p>	<p>Recusal system for directors</p> <p>If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.</p>

Article	After revision	Before revision
	a board meeting, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 4 of the same Act.	
Article 16	<p style="text-align: center;">:</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and and-supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produced and distributed in electronic form.</p>	<p style="text-align: center;">:</p> <p>The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.</p> <p>The meeting minutes of paragraph 1 may produced and distributed in electronic form.</p>

Comparison Table of the Corporate Governance Best Practice Principles

Article	After revision	Before revision
Article 3	<p style="text-align: center;">:</p> <p>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 shall also attend to and supervise these matters. Directors and Audit Committee 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 shall establish channels and mechanisms of communication between their independent directors, audit committees, and chief internal auditors, and the convener of the audit committee shall report their communication with the independent directors <u>the communications between members of the audit committees</u> and chief internal auditors at the shareholders' meeting.</p> <p>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.</p> <p>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.</p>	<p style="text-align: center;">:</p> <p>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 shall also attend to and supervise these matters. Directors and Audit Committee 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 shall establish channels and mechanisms of communication between their independent directors, audit committees, and chief internal auditors, and the convener of the audit committee shall report their communication with the independent directors and chief internal auditors at the shareholders' meeting.</p> <p>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.</p> <p>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.</p>

Article	After revision	Before revision
Article 3-1	<p>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 to appoint <u>shall appoint in accordance with the requirements of the competent authorities or TPEX</u> 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 securities, financial, or futures related institution or a public company in handling legal affairs, <u>legal compliance, internal audit</u>, financial affairs, stock affairs, or corporate governance affairs.</p> <p style="text-align: center;">:</p>	<p>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 to appoint 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 securities, financial, or futures related institution or a public company in handling legal affairs, financial affairs, stock affairs, or corporate governance affairs.</p> <p style="text-align: center;">:</p>
Article 7	<p style="text-align: center;">:</p> <p>The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting, and is advised to adopt a candidate nomination system for the election of directors.</p> <p>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.</p>	<p style="text-align: center;">:</p> <p>The Company is advised to avoid raising extraordinary motions and amendments to original proposals at a shareholders meeting, and is advised to adopt a candidate nomination system for the election of directors.</p> <p>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.</p>
Article 10	<p>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</p>	<p>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</p>

Article	After revision	Before revision
	<p>preceding paragraph in English.</p> <p>To protect its shareholders' rights and interests and ensure their equal treatment, the Company adopts internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</p> <p><u>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></p>	<p>preceding paragraph in English.</p> <p>To protect its shareholders' rights and interests and ensure their equal treatment, the Company adopts internal rules prohibiting company insiders from trading securities using information not disclosed to the market.</p>
Article 13	<p style="text-align: center;">:</p> <p>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, supervisors or managers in performing their duties.</p> <p style="text-align: center;">:</p>	<p style="text-align: center;">:</p> <p>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, supervisors or managers in performing their duties.</p> <p style="text-align: center;">:</p>
Article 18	<p style="text-align: center;">:</p> <p>6. 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.</p> <p style="text-align: center;">:</p>	<p style="text-align: center;">:</p> <p>6. 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.</p> <p style="text-align: center;">:</p>
Article 22	<p>The Company is advised to <u>shall</u> specify in its Articles of Incorporation <u>in accordance with the laws and regulations of the competent authorities</u> 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.</p>	<p>The Company is advised to specify in its Articles of Incorporation 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.</p>

Article	After revision	Before revision
Article 23	<p>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.</p> <p>It is inappropriate for the chairperson to also act as the general manager or <u>an equivalent post</u>other equivalent position (highest managerial position). If the chairperson also acts as the general manager or other equivalent position (highest managerial position) or the chairperson and general manager or other equivalent position (highest managerial position) are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased and there be a majority of the members of the board of directors who are not employees or managers.</p> <p>The Company with a functional committee shall clearly define the responsibilities and duties of the committee.</p>	<p>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.</p> <p>It is inappropriate for the chairperson to also act as the general manager or other equivalent position (highest managerial position). If the chairperson also acts as the general manager or other equivalent position (highest managerial position) or the chairperson and general manager or other equivalent position (highest managerial position) are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased and there be a majority of the members of the board of directors who are not employees or managers.</p> <p>The Company with a functional committee shall clearly define the responsibilities and duties of the committee.</p>
Article 28-2	<p><u>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.</u></p>	None.
<u>Article 28-3</u>	<p>A whistleblowing system</p> <p>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.</p>	<p>A whistleblowing system</p> <p>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.</p>
Article 37	<p style="text-align: center;">:</p> <p>The Company formulate rules and procedures for board of directors performance assessments, and that each year it conduct regularly scheduled performance assessments of the board of directors, functional committees, and</p>	<p style="text-align: center;">:</p> <p>The Company formulate rules and procedures for board of directors performance assessments, and that each year it conduct regularly scheduled performance assessments of the board of directors, functional committees, and</p>

Article	After revision	Before revision
	<p>individual directors through self-assessment, <u>or peer-to-peer assessments, engaging and may also do so through</u> outside professional institutions, or in any other appropriate manner. It is advisable that the <u>A</u> performance assessment of the board of directors <u>shall</u> include the following aspects, and that appropriate assessment indicators <u>shall</u> be developed in consideration of the Company's needs:</p> <ol style="list-style-type: none"> 1. The degree of participation in the Company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls. <p>It is advisable that <u>The</u> performance assessments of board members (self-assessments or peer-to-peer assessments) <u>shall</u> include the following aspects, with appropriate adjustments made on the basis of the Company's needs:</p> <ol style="list-style-type: none"> 1. Their grasp of the Company's goals and missions. 2. Their recognition of director's duties. 3. Their degree of participation in the Company's operations. 4. Their management of internal relationships and communication. 5. Their professionalism and continuing professional education. 6. Internal controls. <p>It is advisable that the performance assessment of a functional committee cover the following aspects, subject to changes according to <u>with appropriate adjustments made on the basis of</u> the Company's needs:</p> <ol style="list-style-type: none"> 1. Their degree of participation in the Company's operations. 2. Their recognition of the duties of the functional committee. 3. Improvement in the quality of decision making by the functional committee. 4. The composition of the functional committee, and election and 	<p>individual directors through self-assessment, peer-to-peer assessments, engaging outside professional institutions, or in any other appropriate manner. It is advisable that the performance assessment of the board of directors include the following aspects, and that appropriate assessment indicators be developed in consideration of the Company's needs:</p> <ol style="list-style-type: none"> 1. The degree of participation in the Company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. The election of the directors and their continuing professional education. 5. Internal controls. <p>It is advisable that performance assessments of board members (self-assessments or peer-to-peer assessments) include the following aspects, with appropriate adjustments made on the basis of the Company's needs:</p> <ol style="list-style-type: none"> 1. Their grasp of the Company's goals and missions. 2. Their recognition of director's duties. 3. Their degree of participation in the Company's operations. 4. Their management of internal relationships and communication. 5. Their professionalism and continuing professional education. 6. Internal controls. <p>It is advisable that the performance assessment of a functional committee cover the following aspects, subject to changes according to the Company's needs:</p> <ol style="list-style-type: none"> 1. Their degree of participation in the Company's operations. 2. Their recognition of the duties of the functional committee. 3. Improvement in the quality of decision making by the functional committee. 4. The composition of the functional committee, and election and appointment of committee members.

Article	After revision	Before revision
	<p>appointment of committee members.</p> <p>5. Internal control.</p> <p>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.</p>	<p>5. Internal control.</p> <p>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.</p>
<p><u>Article 37-2</u></p>	<p><u>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:</u></p> <ol style="list-style-type: none"> <u>1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.</u> <u>2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.</u> <u>3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.</u> <u>4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.</u> <u>5. 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.</u> 	<p>None.</p>

Comparison Table of the Procedures for Ethical Management and Guidelines for Conduct

Article	After revision	Before revision
Article 5	<p>The Company shall designate the President as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors and <u>provide it with sufficient resources and competent personnel to be in</u> charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports <u>(at least once a year)</u> to the board of directors:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. <u>Analyzing and assessing the risks of unethical conduct within the business scope on a regular basis and accordingly adopting</u> Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 	<p>The Company shall designate the President as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors:</p> <ol style="list-style-type: none"> 1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations. 2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business. 3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. 6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively

Article	After revision	Before revision
	<p>6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p> <p>7. <u>Preparing and retaining properly documented information such as ethical management policy and compliance statements, situations concerning the performance of undertakings and enforcement etc.</u></p>	<p>operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.</p>
Article 11	<p>When the Company's director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u></p> <p style="text-align: center;">:</p>	<p>When the Company's director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.</p> <p style="text-align: center;">:</p>
Article 16	<p><u>The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.</u></p> <p>The Company shall disclose its policy of ethical management in its internal rules,</p>	<p>The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its</p>

Article	After revision	Before revision
	<p>annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>	<p>suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.</p>
<p>Article 21</p>	<p style="text-align: center;">:</p> <p>The Company shall internally establish and publicly announce on its website, or provide through an independent mailbox or hotline, for Company insiders to submit reports. A whistleblower shall at least furnish the following information:</p> <ol style="list-style-type: none"> 1. The whistleblower's name and I.D. number (<u>whistleblowing reports may be submitted anonymously</u>), and an address, telephone number and e-mail address where it can be reached. <p style="text-align: center;">:</p> <p>The responsible unit of the Company shall observe the following procedure <u>in handling whistleblowing matters</u>:</p> <ol style="list-style-type: none"> 1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive. 2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department. 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will <u>report to the competent authority, refer said person to judicial authority for</u> 	<p style="text-align: center;">:</p> <p>The Company shall internally establish and publicly announce on its website, or provide through an independent mailbox or hotline, for Company insiders to submit reports. A whistleblower shall at least furnish the following information:</p> <ol style="list-style-type: none"> 1. The whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached. <p style="text-align: center;">:</p> <p>The responsible unit of the Company shall observe the following procedure:</p> <ol style="list-style-type: none"> 1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive. 2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department. 3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. <p style="text-align: center;">:</p>

Article	After revision	Before revision
	<p><u>investigation, or institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.</u></p> <p style="text-align: center;">⋮</p>	
Article 24	<p>The Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting.</p> <p>When the Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.</p> <p><u>The provisions regarding supervisors in these Principles shall apply mutatis mutandis to the audit committee.</u></p>	<p>The Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting.</p> <p>When the Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.</p>
Article 25	<p>The Procedures and Guidelines was set up on October 18, 2016.</p>	<p>The Procedures and Guidelines was set up on October 18, 2016.</p>

Comparison Table of the Corporate Social Responsibility Best Practice Principles

Article	After revision	Before revision
Article 3	<p>In fulfilling corporate social responsibility initiatives, the company shall, in its corporate management and business operations, give due consideration to the social mores and the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p> <p><u>In accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.</u></p>	<p>In fulfilling corporate social responsibility initiatives, the company shall, in its corporate management and business operations, give due consideration to the social mores and the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.</p>
Article 18	<p><u>The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.</u></p> <p><u>The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:</u></p> <ol style="list-style-type: none"> 1. <u>Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.</u> 2. <u>Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.</u> <p><u>The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.</u></p>	<p>The Company is advised to monitor the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon its operations and the result of a greenhouse gas volume check. Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on the natural environment.</p>

Article	After revision	Before revision
	<p>The Company is advised to monitor the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon its operations and the result of a greenhouse gas volume check. Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on the natural environment.</p>	
Article 21	<p>The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.</p> <p><u>The Company advised to organize training on safety and health for their employees on a regular basis.</u></p>	<p>The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.</p>
Article 22	<p>The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.</p> <p><u>The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.</u></p>	<p>The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.</p>
Article 23	<p>The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.</p> <p><u>The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee</u></p>	<p>The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.</p>

Article	After revision	Before revision
	<p><u>representatives.</u></p> <p><u>The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.</u></p>	
Article 24	<p><u>The companies shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.</u></p> <p>To maintain the Company's service-responsibility and uphold marketing ethics, the Company is advised to establish and disclose policies on consumer rights and interests and enforce such consumer rights and interests policies.</p>	<p>To maintain the Company's service responsibility and uphold marketing ethics, the Company is advised to establish and disclose policies on consumer rights and interests and enforce such consumer rights and interests policies.</p>
Article 25	<p>The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries.</p> <p><u>The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</u> the laws and regulations of the government and relevant international guidelines when marketing or advertising its products or services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>	<p>The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries.</p> <p>The Company shall follow the laws and regulations of the government and relevant international guidelines when marketing or advertising its products or services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.</p>
Article 26	<p><u>The Company is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.</u></p> <p>The Company is advised to provide a clear</p>	<p>The Company is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with relevant laws and regulations for</p>

Article	After revision	Before revision
	and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with relevant laws and regulations for respecting consumers' rights of privacy and shall protect personal data provided by consumers.	respecting consumers' rights of privacy and shall protect personal data provided by consumers.
Article 27	<p>The Company is advised to assess the impact its procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with its suppliers on environmental protection, safety, or health, etc. to jointly foster a stronger sense of corporate social responsibility.</p> <p><u>The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, the Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.</u></p> <p><u>When the Company enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.</u></p>	<p>The Company is advised to assess the impact its procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with its suppliers on environmental protection, safety, or health, etc. to jointly foster a stronger sense of corporate social responsibility.</p>
Article 29	<p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.</p> <p>Relevant information relating to corporate social responsibility which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The policy, systems and relevant 	<p>The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.</p> <p>Relevant information relating to corporate social responsibility which the Company shall disclose includes:</p> <ol style="list-style-type: none"> 1. The policy, systems and relevant

Article	After revision	Before revision
	<p>management guidelines for corporate social responsibility initiatives, as resolved by the board of directors.</p> <ol style="list-style-type: none"> 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the corporate social responsibility initiatives established by the Company. 4. <u>Major stakeholders and their concerns. Result of implementing corporate social responsibility initiatives.</u> 5. <u>Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. Result of implementing corporate social responsibility initiatives.</u> <p>56. Other information relating to corporate social responsibility initiatives.</p>	<p>management guidelines for corporate social responsibility initiatives, as resolved by the board of directors.</p> <ol style="list-style-type: none"> 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the corporate social responsibility initiatives established by the Company. 4. Result of implementing corporate social responsibility initiatives. 5. Other information relating to corporate social responsibility initiatives.
Article 30	<p>The Company is advised to <u>shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports.</u> produce corporate social responsibility report disclosing the status of its implementation of the corporate social responsibility policy. The report is advised to include:</p> <ol style="list-style-type: none"> 1. <u>The framework, policy and proposal of The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.</u> 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment and preservation of public welfare. 4. Future improvements and goals. 	<p>The Company is advised to produce corporate social responsibility report disclosing the status of its implementation of the corporate social responsibility policy. The report is advised to include:</p> <ol style="list-style-type: none"> 1. The framework, policy and proposal of implementing corporate social responsibility initiatives. 2. Major stakeholders and their concerns. 3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment and preservation of public welfare. 4. Future improvements and goals.

Article	After revision	Before revision
Article 32	These principles, and any amendments hereto, shall be implemented upon approval by board of directors, <u>and shall be reported to the shareholders meeting.</u>	These principles, and any amendments hereto, shall be implemented upon approval by board of directors.

Comparison Table of the Code of Ethical Conduct

Article	After revision	Before revision
Article 4	<p>Prevention of Conflict of Interest</p> <p>Directors and managers of the company shall handle the company's business in an objective and efficient way and shall not take advantage of their duties to try to obtain undue benefit for themselves, their spouses, parents, children or other family members <u>relatives</u> within second degree of kinship.</p> <p>In order to prevent conflict of interest, any capital lending, endorsement and guarantee or significant transaction of asset between the company and the above persons or their affiliated enterprises shall be subject to prior approval by the board of directors and shall be carried out in accordance with relevant legislations and company rules. Product purchase (sale) shall be based on best interest of the company and conducted in accordance with relevant rules of the company's procurement and sales cycles.</p> <p>No manager or any of the affiliates shall serve in the same department as any employee who is a spouse or family member within second degrees of kinship, nor shall they serve any duties that should be managed separately under the internal control mechanism. If there is any special need for the above employee who is a spouse or family member within second degrees of kinship to serve the function, report to and approval by the board of directors shall be required.</p>	<p>Prevention of Conflict of Interest</p> <p>Directors and managers of the company shall handle the company's business in an objective and efficient way and shall not take advantage of their duties to try to obtain undue benefit for themselves, their spouses, parents, children or other family members within second degree of kinship.</p> <p>In order to prevent conflict of interest, any capital lending, endorsement and guarantee or significant transaction of asset between the company and the above persons or their affiliated enterprises shall be subject to prior approval by the board of directors and shall be carried out in accordance with relevant legislations and company rules. Product purchase (sale) shall be based on best interest of the company and conducted in accordance with relevant rules of the company's procurement and sales cycles.</p> <p>No manager or any of the affiliates shall serve in the same department as any employee who is a spouse or family member within second degrees of kinship, nor shall they serve any duties that should be managed separately under the internal control mechanism. If there is any special need for the above employee who is a spouse or family member within second degrees of kinship to serve the function, report to and approval by the board of directors shall be required.</p>

Comparison Table of the Articles of Incorporation

Article	After revision	Before revision
Article 4	<p>The total amount of investment made by the company in other invested companies shall not be restricted by Article 13 of the Company Law. When the Company becomes a shareholder of limited liability of another company, the total amount of the Company's investment will not be subject to the restriction of not more than 40% of the Company's paid-in capital as provided in Article 13 of the Company Act. The board of directors is authorized to make such investment.</p>	<p>The total amount of investment made by the company in other invested companies shall not be restricted by Article 13 of the Company Law. The board of directors is authorized to make such investment.</p>
Article 6	<p>The Company can guarantee externally that it is not subject to the Article 16 of the Company Act and that the endorsement of the endorsement is carried out with the consent of the Shareholders' meeting. The Company may provide endorsement and guarantee and act as a guarantor.</p>	<p>The Company can guarantee externally that it is not subject to the Article 16 of the Company Act and that the endorsement of the endorsement is carried out with the consent of the Shareholders' meeting.</p>
Article 7-1	<p>Treasury stocks bought back by the company in accordance with the Company Act, new shares issued by the company, employee stock warrants or the restricted employee shares can be granted to employees of parents or subsidiaries of the company as well whoever meets criteria developed by the Company. <u>The Board shall be authorized to resolve on the requirements, distribution and purchase methods.</u></p>	<p>Treasury stocks bought back by the company in accordance with the Company Act, new shares issued by the company, employee stock warrants or the restricted employee shares can be granted to employees of parents or subsidiaries of the company as well whoever meets criteria developed by the Company.</p>
Article 11	<p>When the shareholders are unable to attend the Shareholders' meeting for any reason, they are issued a letter of authorization issued by the company, indicating the scope of the authorization, entrusting the agent, attending the Shareholders' meeting. In addition to the provisions of Article 177 of the Company Act and other relevant laws and regulations, the method of appointing a shareholder to attend shall be handled in accordance with the "Procedures" of the "Public Issuing Company to Attend the Shareholders' meeting" issued by the competent authority. In case a shareholder is unable to attend a shareholders' meeting, he or she</p>	<p>When the shareholders are unable to attend the Shareholders' meeting for any reason, they are issued a letter of authorization issued by the company, indicating the scope of the authorization, entrusting the agent, attending the Shareholders' meeting. In addition to the provisions of Article 177 of the Company Act and other relevant laws and regulations, the method of appointing a shareholder to attend shall be handled in accordance with the "Procedures" of the "Public Issuing Company to Attend the Shareholders' meeting" issued by the competent authority.</p>

Article	After revision	Before revision
	<p><u>may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the company stating therein the scope of power authorized to the proxy. The written proxy to the company no later than 5 days prior to the meeting date of the shareholders' meeting.</u></p> <p>When the Company holds a Shareholders' meeting, it shall exercise its voting rights in writing or electronically The Company shall list electronically as one of the shareholder's voting rights. Shareholders who vote by electronic means shall be deemed to be present in person. According to the regulations of the Act.</p>	<p>When the Company holds a Shareholders' meeting, it shall exercise its voting rights in writing or electronically. The Company shall list electronically as one of the shareholder's voting rights. Shareholders who vote by electronic means shall be deemed to be present in person. According to the regulations of the Act.</p>
Article 13-1	<p>Resolutions of Shareholders' meeting shall be made as Minutes of Meeting, signed or sealed by Chairman and distributed to Minutes of Meeting within 20 days after the meeting. <u>The minutes' production can be made electronically and distributed by the announcement.</u> They shall be kept forever during the existence of the company. The production and distribution of Minutes of Meeting can be made electronically or by way of announcement.</p>	<p>Resolutions of Shareholders' meeting shall be made as Minutes of Meeting, signed or sealed by Chairman and distributed to Minutes of Meeting within 20 days after the meeting. They shall be kept forever during the existence of the company. The production and distribution of Minutes of Meeting can be made electronically or by way of announcement.</p>
Article 14	<p>The Company has five to nine directors for a term of three years. The shareholder's meeting will be selected by the person who has the ability to act and be reelected. The Company shall have 5 to 9 directors. The term of office of directors is three years after which they will be eligible for re-election and re-appointment. The election of the directors shall nominate a nominee system for election, which shall be selected by Shareholders' meeting on the list of candidates. When the term of director expires but not re-election, he will extend his executive duties until the reappointment of directors to take office, and the proportion of shares held by all directors will be handled according to the regulations of the securities regulatory authority.</p> <p>In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such</p>	<p>The Company has five to nine directors for a term of three years. The shareholder's meeting will be selected by the person who has the ability to act and be reelected. The election of the directors shall nominate a nominee system for election, which shall be selected by Shareholders' meeting on the list of candidates. When the term of director expires but not re-election, he will extend his executive duties until the reappointment of directors to take office, and the proportion of shares held by all directors will be handled according to the regulations of the securities regulatory authority.</p> <p>In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining</p>

Article	After revision	Before revision
	<p>vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.</p> <p>The nomination, selection method and related treatment of the Company directors shall be handled in accordance with the Company's "Directors Election Procedures" and related regulations.</p> <p>In the Company directors quota, the number of independent directors must not be less than three and not less than one-fifth of directors' seats. Independent director adopts the nomination system for candidates, which is selected by shareholders on the list of independent directors candidates. The professional qualifications of the independent director, shareholding, part-time restrictions, nomination and selection methods, and other matters to be followed are handled in accordance with the relevant regulations of the competent authority.</p>	<p>term of the predecessors.</p> <p>The nomination, selection method and related treatment of the Company directors shall be handled in accordance with the Company's "Directors Election Procedures" and related regulations.</p> <p>In the Company directors quota, the number of independent directors must not be less than three and not less than one-fifth of directors' seats. Independent director adopts the nomination system for candidates, which is selected by shareholders on the list of independent directors candidates. The professional qualifications of the independent director, shareholding, part-time restrictions, nomination and selection methods, and other matters to be followed are handled in accordance with the relevant regulations of the competent authority.</p>
Chapter 6	Final accounts of revenue <u>Accounting</u>	Final accounts of revenue
Article 19	<p>At the end of the fiscal year, the Company shall prepare the following lists by the Board of Directors. They shall be submitted to the Audit Committee for review by Shareholders' general meeting 30 days before the Shareholders' general meeting (I) Business Reports (II) Financial Statements (III) Proposals for Distribution of Surplus or Provision for Loss. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, and be submitted to the shareholders' meeting for acceptance. (I) Business Report; (II) Financial Statements; (III) Proposals of profit distribution or losses.</p>	<p>At the end of the fiscal year, the Company shall prepare the following lists by the Board of Directors. They shall be submitted to the Audit Committee for review by Shareholders' general meeting 30 days before the Shareholders' general meeting (I) Business Reports (II) Financial Statements (III) Proposals for Distribution of Surplus or Provision for Loss.</p>
Article 20	<p>If the company has a surplus for the year, it is distributed in the following order:</p> <ul style="list-style-type: none"> i. Withholding taxes; ii. make up for losses; iii. Deposit 10% of the statutory surplus reserve, except when the statutory reserve has reached the total paid-in 	<p>If the company has a surplus for the year, it is distributed in the following order:</p> <ul style="list-style-type: none"> i. Withholding taxes; ii. make up for losses; iii. Deposit 10% of the statutory surplus reserve, except when the statutory reserve has reached the total paid-in

Article	After revision	Before revision
	<p>capital;</p> <p>iv. Authorize or repatriate special surplus reserves in accordance with law or the competent authority;</p> <p>v. The balance depends on the company's environment, growth stage and long-term financial plan to retain some of the surplus. For its balance and accumulated undistributed earnings for the previous year, Board of Directors regards the financial situation and economic development of the current year, assigning shareholders. Dividends and bonuses are submitted by the Board of Directors to the Shareholders' meeting resolution.</p> <p>The Company authorizes the distributable dividends and bonuses, legal or capital reserve, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting, in this case the aforesaid resolution at the meeting of shareholders in the previous section will not apply. When allocating the net profits for each fiscal year, the Company shall first offset its accumulated losses and set aside a legal capital reserve at 10% of the profits left over, until the accumulated legal capital reserve equals the total paid-in capital of the Company; then set aside special capital reserve in accordance with relevant laws or regulations. The remaining net profits and the retained earnings from previous years shall be distributed to shareholders according to the proposal made by the Board of Directors and submitted to the shareholders' meeting for approval.</p> <p><u>The amount of dividends distributed to shareholders shall be no less than 10% of distributable earnings for the year.</u></p> <p><u>Dividends to shareholders of the company shall be distributed in the form of cash or shares, provided that the proportion of cash dividends distributed shall not be less than 10% of the total dividends. The policy of dividend distribution shall be based on the</u></p>	<p>capital;</p> <p>iv. Authorize or repatriate special surplus reserves in accordance with law or the competent authority;</p> <p>v. The balance depends on the company's environment, growth stage and long-term financial plan to retain some of the surplus. For its balance and accumulated undistributed earnings for the previous year, Board of Directors regards the financial situation and economic development of the current year, assigning shareholders. Dividends and bonuses are submitted by the Board of Directors to the Shareholders' meeting resolution.</p> <p>The Company authorizes the distributable dividends and bonuses, legal or capital reserve, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting, in this case the aforesaid resolution at the meeting of shareholders in the previous section will not apply.</p>

Article	After revision	Before revision
	<p><u>company's current and future investment environment, capital needs, financial structure, surplus situation, and balance of dividends. The Board of Directors shall prepare a distribution plan and report to the shareholders' meeting on a yearly basis according to laws. However, due to the company's significant investment plan and the inability to obtain other funds, the board of directors proposed and the shareholders' meeting decided not to issue cash dividends.</u></p>	
Article 20-1	<p>The Company will consider the company's environment and growth stage. In response to the unsatisfied funding requirements, financial structure, surplus situation and balanced and stable dividend policy, depending on the funding needs and the dilution of the company's earnings per share, the Company will allocate the surplus for distribution each year. Not less than 10% of shareholder dividends are distributed. The Company may adopt a modest stock dividend or cash dividend method, of which the cash dividend shall not be less than 10% of the total dividends paid. However, due to the company's significant investment plan and the inability to obtain other funds, the board of directors proposed and the shareholders' meeting decided not to issue cash dividends. <u>The company may authorize the distributable dividends and bonuses, capital surplus reserve and the legal surplus reserve in part or in whole, to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the latest shareholders' meeting without applying the resolution of the shareholders' meeting under the preceding article.</u></p>	<p>The Company will consider the company's environment and growth stage. In response to the unsatisfied funding requirements, financial structure, surplus situation and balanced and stable dividend policy, depending on the funding needs and the dilution of the company's earnings per share, the Company will allocate the surplus for distribution each year. Not less than 10% of shareholder dividends are distributed. The Company may adopt a modest stock dividend or cash dividend method, of which the cash dividend shall not be less than 10% of the total dividends paid. However, due to the company's significant investment plan and the inability to obtain other funds, the board of directors proposed and the shareholders' meeting decided not to issue cash dividends.</p>
Article 22	<p>This Articles of Association was concluded on May 27, 1997.</p> <p style="text-align: center;">⋮</p> <p>The twenty-third revision was made on May 21, 2020. <u>The twenty-fourth revision was made on May 25, 2021.</u></p>	<p>This Articles of Association was concluded on May 27, 1997.</p> <p style="text-align: center;">⋮</p> <p>The twenty-third revision was made on May 21, 2020.</p>

Comparison Table of the Rules of Procedure for Shareholder Meetings

Article	After revision	Before revision
Article 4	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p style="text-align: center;">⋮</p> <p>(4) Election or dismissal of directors or, amendments to the articles of incorporation, capital reduction, termination of public offering, lifting the prohibition of competition on directors, earnings transferred to common stock, capital surplus transferred to common stock, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, <u>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</u> shall be set out in the notice of the reasons and main reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The content could be displayed on websites designated by regulatory authorities of stock market of the company, and the website should be manifested in a notification.</p> <p style="text-align: center;">⋮</p> <p>(6) A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. When the shareholder's proposal is to promote the company's devotion in public welfare or its social responsibility, such limitation is lifted. <u>A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally</u></p>	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p style="text-align: center;">⋮</p> <p>(4) Election or dismissal of directors or, amendments to the articles of incorporation, capital reduction, termination of public offering, lifting the prohibition of competition on directors, earnings transferred to common stock, capital surplus transferred to common stock, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act shall be set out in the notice of the reasons and main reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The content could be displayed on websites designated by regulatory authorities of stock market of the company, and the website should be manifested in a notification.</p> <p style="text-align: center;">⋮</p> <p>(6) A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. When the shareholder's proposal is to promote the company's devotion in public welfare or its social responsibility, such limitation is lifted. In addition, 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.</p> <p style="text-align: center;">⋮</p>

Article	After revision	Before revision
	<p><u>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.</u> In addition, 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.</p> <p style="text-align: center;">⋮</p>	
Article 10	<p>(Shareholders' meeting attendance calculations and meetings)</p> <p style="text-align: center;">⋮</p> <p>(2) The chair shall call the meeting to order at the appointed meeting time <u>and announce the votes with no voting rights and the number of shares in attendance.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p style="text-align: center;">⋮</p>	<p>(Shareholders' meeting attendance calculations and meetings)</p> <p style="text-align: center;">⋮</p> <p>(2) The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p style="text-align: center;">⋮</p>
Article 15	<p>(Election matters)</p> <p>(1) The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names <u>and votes they received for every winning or losing candidate</u> of those elected as directors and supervisors and the numbers of votes with which they were elected.</p>	<p>(Election matters)</p> <p>(1) The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, 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.</p>

Article	After revision	Before revision
	(2) 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 1 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.	(2) 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 1 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.

Comparison Table of the Procedure for Acquisition or Disposal of Assets

Article	After revision	Before revision
Article 11.1	<p><u>Transaction type</u></p> <p><u>Derivative products that the Company can buy or sell are referred to in Article 3.1</u></p>	None
Article 11.2	<p>Business or hedging strategy</p> <p>The Company engages in derivative-commodity transactions to circumvent risks arising from fluctuations in exchange rates, interest rates or asset prices, and to hedge against foreign currency positions in the receivables/payables or financial-asset liability arising from the company's business within the next six months. <u>Before the transaction is conducted, it must be determined as a safe-haven operation.</u> <u>the derivative transactions should mainly be conducted for the purpose to ensure profit of the Company's business and avoid risks associated with fluctuation in exchange rate, interest rate and/ or value of assets.</u></p>	<p>Business or hedging strategy</p> <p>The Company engages in derivative commodity transactions to circumvent risks arising from fluctuations in exchange rates, interest rates or asset prices, and to hedge against foreign currency positions in the receivables/payables or financial asset liability arising from the company's business within the next six months. Before the transaction is conducted, it must be determined as a safe-haven operation.</p>
Article 11.4.1	<p>The total amount of the transaction contract</p> <p>(1) Hedging Operations The total amount of the company's total safe-haven contract shall not exceed the foreign currency position of receivables/payables arising from the company's business within the next six months.</p> <p>(2) Trading Operations The types of transactions are limited to currency exchange contracts and swap exchanges. <u>The total amount of the transaction contract for trading purpose shall not exceed 20% of the company's latest financial statement's net value. Any amount exceeding 100 million shall be approved by the board of directors and shall be subject to policy instructions.</u></p>	<p>The total amount of the transaction contract</p> <p>(3) Hedging Operations The total amount of the company's total safe-haven contract shall not exceed the foreign currency position of receivables/payables arising from the company's business within the next six months.</p> <p>(4) Trading Operations The types of transactions are limited to currency exchange contracts and swap exchanges.</p>

Article	After revision	Before revision
Article 11.5	<p>Performance Evaluation</p> <p>11.4.1 Hedging Operations</p> <p>The performance of hedging operations is measured and assessed based on hedging strategies.</p> <p><u>The position of derivative instruments shall be weekly evaluated; transactions for hedging purposes shall be biweekly evaluated. The evaluation report shall be proved to manager authorized by the Board of Directors.</u></p>	<p>Performance Evaluation</p> <p>11.4.1 Hedging Operations</p> <p>The performance of hedging operations is measured and assessed based on hedging strategies.</p>
Article 11.6	<p>Delegation Lines and Levels</p> <p>The authorization limits and hierarchies of hedging operations are as follows:</p> <p>The company's authorized trader must be able to enter into the transaction only after the amount of the transaction contract specified in 11.3.1<u>11.4.1</u> has been approved by the chief financial officer and approved by the treasurer.</p> <p style="text-align: center;">:</p>	<p>Delegation Lines and Levels</p> <p>The authorization limits and hierarchies of hedging operations are as follows:</p> <p>The company's authorized trader must be able to enter into the transaction only after the amount of the transaction contract specified in 11.3.1 has been approved by the chief financial officer and approved by the treasurer.</p> <p style="text-align: center;">:</p>
Article 11.8.3	<p>Determining hedging practices:</p> <ol style="list-style-type: none"> (1) The subject of the transaction (2) Trading position (3) Target price and range (4) Trading Strategies and Patterns (5) The price reference is based on the open quotation system. 	<p>Determining hedging practices:</p> <ol style="list-style-type: none"> (1) The subject of the transaction (2) Trading position (3) Target price and range (4) Trading Strategies and Patterns (5) The price reference is based on the open quotation system.
Article 11.9.2	<p>Market risk:</p> <p>The Company focuses on hedging transactions in derivative financial products due to changes in interest rates, changes in exchange rates, or other factors, and should be controlled at all times. Market risk arising from the <u>fluctuations of interest rates and foreign exchange rates or from other factors shall be closely monitored and controlled.</u></p>	<p>Market risk:</p> <p>The Company focuses on hedging transactions in derivative financial products due to changes in interest rates, changes in exchange rates, or other factors, and should be controlled at all times.</p>
Article 11.11	<p>Regular Evaluation Methods and Handling of Abnormal Situations</p> <p>The risk management transactions that the finance department needs to handle must be evaluated at least twice a month. The evaluation report should be submitted to the high-level executives authorized by</p>	<p>Regular Evaluation Methods and Handling of Abnormal Situations</p> <p>The risk management transactions that the finance department needs to handle must be evaluated at least twice a month. The evaluation report should be submitted to the high-level executives authorized by</p>

Article	After revision	Before revision
	<p>the Board of Directors. Report to the Board of Directors <u>The position of derivative instruments shall be weekly evaluated; transactions for hedging purposes shall be biweekly evaluated by the finance department. The evaluation report shall be proved to manager authorized by the Board of Directors, if there is an abnormal situation, and take the necessary measures for response.</u></p> <p style="text-align: center;">⋮</p>	<p>the Board of Directors. Report to the Board of Directors if there is an abnormal situation, and take the necessary measures for response.</p> <p style="text-align: center;">⋮</p>
<p>Article 11.1 to 11.17</p>	<p><u>Added Article 11.1</u></p> <p><u>Article 11.1 changed to 11.2</u></p> <p><u>Article 11.2 changed to 11.3</u></p> <p><u>Article 11.3 changed to 11.4</u></p> <p><u>Article 11.4 changed to 11.5</u></p> <p><u>Article 11.5 changed to 11.6</u></p> <p><u>Article 11.6 changed to 11.7</u></p> <p><u>Article 11.7 changed to 11.8</u></p> <p><u>Article 11.8 changed to 11.9</u></p> <p><u>Article 11.9 changed to 11.10</u></p> <p><u>Article 11.10 changed to 11.11</u></p> <p><u>Article 11.11 changed to 11.12</u></p> <p><u>Article 11.12 changed to 11.13</u></p> <p><u>Article 11.13 changed to 11.14</u></p> <p><u>Article 11.14 changed to 11.15</u></p> <p><u>Article 11.15 changed to 11.16</u></p> <p><u>Article 11.16 changed to 11.17</u></p>	<p>Article 11.1 to 11.16</p>

Comparison Table of the Procedures for Election of Directors

Article	After revision	Before revision
Article 4	<p>Electoral machinery of directors</p> <p style="text-align: center;">⋮</p> <p>Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act. Arbitrary addition of supporting documents for other eligibility requirements is disallowed while reviewing the eligibility, education and experience of prospective directors, and presence of individual conditions under Article 30 of the Company Act or not and review results shall be provided to shareholders for their reference in order to select competent directors. The shareholders shall elect directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.</p>	<p>Electoral machinery of directors</p> <p style="text-align: center;">⋮</p> <p>Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act. Arbitrary addition of supporting documents for other eligibility requirements is disallowed while reviewing the eligibility, education and experience of prospective directors, and presence of individual conditions under Article 30 of the Company Act or not and review results shall be provided to shareholders for their reference in order to select competent directors. The shareholders shall elect directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.</p>
Article 5	<p>By-election mode for the shortfall of directors</p> <p style="text-align: center;">⋮</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days</p>	<p>By-election mode for the shortfall of directors</p> <p style="text-align: center;">⋮</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days</p>

Article	After revision	Before revision
	from the date of occurrence to hold a by-election to fill the vacancies.	from the date of occurrence to hold a by-election to fill the vacancies.
Article 9	<p>Filling in the ballot</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>	<p>Filling in the ballot</p> <p>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>
Article 910	<p>Invalid circumstances of the ballot</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the board of directors <u>a person with the right to convene.</u> 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match <u>does not conform to the director candidate list.</u> 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number <u>(or identity card number) and the number of voting rights allotted.</u> 	<p>Invalid circumstances of the ballot</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match. 5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted. 6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account

Article	After revision	Before revision
	<p>6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</p>	<p>number or identity card number is provided in the ballot to identify such individual.</p>
<p>Article 10<u>11</u></p>	<p>Count of votes The ballot boxes shall be opened right after the voting session is completed. The Chair shall announce the voting result, including the list of elected directors and the number of votes in their favor. Ballot examiners shall seal and sign the ballot papers indicated under election information in the preceding paragraph and keep them properly for at least one year. If a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, however, the abovementioned documents must be retained until the end of the litigation.</p>	<p>Count of votes The ballot boxes shall be opened right after the voting session is completed. The Chair shall announce the voting result, including the list of elected directors and the number of votes in their favor. Ballot examiners shall seal and sign the ballot papers indicated under election information in the preceding paragraph and keep them properly for at least one year. If a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, however, the abovementioned documents must be retained until the end of the litigation.</p>
<p>Article 11<u>12</u></p>	<p>Elected notice The board of directors of this Corporation shall issue notifications to the persons elected as directors.</p>	<p>Elected notice The board of directors of this Corporation shall issue notifications to the persons elected as directors.</p>
<p>Article 12<u>13</u></p>	<p>Implementation These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>	<p>Implementation These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p>

Rules of Procedure for Board of Directors Meeting

Article 1 The basis of this Procedures

In order to establish the Company's Board of Directors governance system, improve the supervision function and strengthen management functions, the Procedures for Board of Directors Meetings of Public Companies has been established in order to comply with regulations.

Article 2 The scope of this Procedures

The proceedings of the Company Board of Directors' Procedures, its main proceedings, operation procedures, Minutes of Meeting matters, announcements and other matters to be observed shall be handled in accordance with the requirements of this Procedures.

Article 3 Calling and Meeting Notice for Board of Directors

The Company Board of Directors is called at least once every quarter.

The Board of Directors' convening shall set out the reasons and notify the directors seven days in advance. However, in times of emergency, they must be called at any time.

The notification of the preceding item of convocation shall be made electronically by the consent of the counterpart.

The matters in Article 12-1 of this Procedures shall be listed in the matter of convening, except for unexpected emergencies or justifications, and shall not be submitted by Temporary motion.

Article 4 Conference notices and information

The Board of Directors designated by the Company is the general manager's office.

The unit should prepare the Board of Directors' content and provide enough meeting materials to send it together with the notice.

If the directors think that the meeting materials are not sufficient, they may request the meeting units to make up. If directors consider that the information on the bill is not sufficient, they may delay the deliberation of the Board of Directors' resolution.

Article 5 Preparation of documents such as scrapbooks and delegation of directors

When a board meeting is held, an attendance book shall be provided for signing-in by attending directors, which shall be made available for future reference.

Directors shall attend board meetings in person. A director unable to attend in person may appoint another director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person and should sign the card by fax to sign on behalf of the group.

A director who appoints another director to attend a board meeting shall in each instance issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

The proxy referred to in paragraph 2 may be the appointed proxy of only one person.

Article 6 Principle of Board of Directors Meeting Venues and Time

The company's Board of Directors' venue and time should be based on the company's location and office hours, or be convenient for directors to attend and suit the Board of Directors' venues and time.

Article 7 Board of Directors' Chairperson and Agent

Board meetings shall be convened and chaired by the chairperson of the board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves one director to serve as chair.

When the chairman takes leave or fails to exercise his power for any reason, he or she shall be represented by the deputy directors, and if the deputy chairman or deputy chairman of the board of directors does not take leave or may not exercise his power for any reason, the chairman shall appoint one of the standing directors. If there is no general director, the designated director is the one who has no agent designated by the director, and the general director or director invokes one agent.

Article 8 Board of Directors reference materials, attendees and convening

When the Company Board of Directors is convened, the General Manager's Office shall prepare relevant materials for inspection by the directors at any time.

When Board of Directors is held, it may be necessary to notify the relevant department or a member of a subsidiary company of the contents of the proposal. When necessary, certified public accountants, attorneys, or other professionals retained by the Company may also be invited to attend the meeting.

The chair shall call the board meeting to order at the appointed meeting time and when more than one-half of all the directors are in attendance. If one-half of all the directors are not in attendance at the appointed meeting time, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the chair shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2.

The number of "all directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of directors then actually in office.

Article 9 Board of Directors recording or video of meetings

After the public offering, the Company Board of Directors shall have a recording or video recording of the entire meeting and shall keep it for at least five years. The preservation of the company Board of Directors shall be made electronically.

Before the expiration of the retention period of the preceding paragraph, when a lawsuit concerning the Board of Directors related resolutions occurs, the related audio or video recording data shall be retained until the conclusion of the lawsuit.

Where a board meeting is held by videoconference, the audio or video documentation of the meeting constitutes part of the meeting minutes and shall be retained for the duration of the existence of the Company.

Article 10 Content of the proceedings

The company's periodic Board of Directors content includes at least the following items:

1. Matters to be reported:
 - (i) Minutes of the last meeting and action taken.
 - (ii) Important financial business reports.
 - (iii) Internal Audit Business Report.
 - (iv) Other important reporting matters.
2. Matters for discussion:

(i) Items for continued discussion from the last meeting.

(ii) Items for discussion at this meeting.

3. Extraordinary motions.

Article 11 Motion discussion

A board meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of directors in attendance at the board meeting.

The chair may not declare the meeting closed without the approval of a majority of the directors in attendance at the meeting.

At any time during the course of a board meeting, if the number of directors sitting at the meeting does not constitute a majority of the attending directors, then upon the motion by a director sitting at the meeting, the chair shall declare a suspension of the meeting, in which case Article 8, paragraph 3 shall apply mutatis mutandis.

Article 12 The following matters should be discussed in the Company Board of Directors:

1. The company's operating plan.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant (CPA).
3. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act and assessment of the effectiveness of the internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of equity-type securities.
6. The appointment or discharge of a financial, accounting, or internal audit officer.
7. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief that is made for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
8. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a shareholders meeting or board meeting, or any material matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. (In the case of a foreign issuer whose shares have no par value or a par value other than NT\$10, 2.5 percent of shareholders' equity shall be substituted for the calculation of the amount equal to 5 percent of paid-in capital required under this paragraph.)

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are

exempted from inclusion in the calculation.

There should be at least one independent director who personally attends the board of directors; for the first item of that should be submitted to the resolution of the board of directors, all independent directors should attend the board of directors, if independent directors cannot attend the board, they should be represented by other independent directors. If an independent director has objections or reservations, he or she shall specify in the proceedings of the board of directors; if an independent director cannot personally attend the board of directors to express objections or reservations, he shall, unless there is a valid reason, issue a written opinion in advance and specify in the minutes of the board of directors.

Article 13 Resolution 1

When the chair at a board meeting is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call a vote.

When a proposal comes to a vote at a board meeting, if no attending director voices an objection following an inquiry by the chair, the proposal will be deemed approved. If there is an objection following an inquiry by the chair, the proposal shall be brought to a vote.

One voting method for proposals at a board meeting shall be selected by the chair from among those below, provided that when an attending director has an objection, the chair shall seek the opinion of the majority to make a decision:

1. A show of hands or a voter vote.
2. Roll call vote.
3. Vote for resolution.
4. The company's own choice of vote.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 14 Resolution 2 and scrutineering and counting methods

Except where otherwise provided by the Securities and Exchange Act and the Company Act, the passage of a proposal at a board meeting shall require the approval of a majority of the directors in attendance at a board of directors meeting attended by a majority of all directors.

When there is an amendment or 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. If any one among them is passed, the other proposals shall then be deemed rejected, and no further voting on them shall be required.

If a vote on a proposal requires monitoring and counting personnel, the chair shall appoint such personnel, providing that all monitoring personnel shall be directors.

The result of the vote shall be reported on site and a record shall be made.

Article 15 Director's interest avoidance system

Directors who have a stake in a conference event are legally interested in their own or their legal representative. They should be aware of the important content of their interest in the Board of Directors. If they are harmful to the interests of the company, they must not join the discussion and vote and discuss and vote should To evade and not to act on behalf of other directors exercising their voting rights.

The Company Board of Directors resolution applies Article 180-2 regulations for the directors who are not allowed to exercise the voting rights under the preceding paragraph according to the Article 204 paragraph four of the Company Act.

Article 16 Meeting minutes and signed matters

The Company Board of Directors shall make a Minutes of Meeting. The Minutes of Meeting shall record the following items:

1. The name of the Chairperson.
2. The status of director's attendance includes the attendance, leave of absence and the names and number of absent persons.
3. Names and titles of the participants.
4. The session (or year) and time and place of the meeting.
5. The name of the record.
6. Report items.
7. Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, supervisors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director pursuant to Article 12, paragraph 4.
8. Extraordinary motions: The name of the mover, the method of resolution and the result, a summary of the comments of any director, supervisor, expert, or other person; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; and their objections or reservations and any recorded or written statements.
9. Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a board meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website of the Market Observation Post System designated by the Financial Supervisory Commission, within 2 days from the date of the meeting:

- (1). Independent director has objections or reservations and there are records or written statements.
- (2). A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the audit committee of the Company.

The attendance book constitutes part of the minutes for each board meeting and shall be retained for the duration of the existence of the Company.

The minutes of a board meeting shall bear the signature or seal of both the chair and the minute taker, and a copy of the minutes shall be distributed to each director and supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of paragraph 1 may produced and distributed in electronic form..

Article 17 Board of Directors' Authorization Principle

In addition to the discussion of the Board of Directors of the Company in the first item of Article 12, the Board of Directors or the Articles of Association of the Board of Directors may authorize directors to exercise the authority of the Board of Directors. Its authorization content is as follows:

1. Authorized by the Board of Directors as required by law.
2. According to the company's " Approved authority level Polices " provision.
3. According to company regulations, systems and methods.

4. Transfer of investment company directors and supervisors.
5. Appraisal of base date of capital increase or decrease and base date of cash dividend distribution.
6. Other company-related matters that are not subject to statutes, Articles of Association, Shareholders' meeting, and Board of Directors resolutions. However, matters involving major interests of the company should still be resolved through the Board of Directors.

Article 18 Supplementary Articles

These Rules of Procedure shall be adopted by the approval of meeting of the board of directors and shall be reported to the shareholders meeting. The board of directors may be authorized to adopt, by resolution, any future amendments to these Rules.

Corporate Governance Best Practice Principles

Chapter I General Principles

Article 1 To establishing sound corporate governance systems, the Company hereby promulgates the Corporate Governance Principles (hereinafter, "the Principles"), referencing "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" which is jointly adopted by the Taiwan Stock Exchange Corporation (TWSE) and the GreTai Securities Market (GTSM) to formulate the Company's corporate governance principles and establish an effective corporate governance framework with reference to these Principles 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 and Articles of Incorporation, the Company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of audit committee.
4. Respect the rights and interests of stakeholders.
5. 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 shall also attend to and supervise these matters. Directors and Audit Committee 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 shall establish channels and mechanisms of communication between their independent directors, audit committees, and chief internal auditors, and the convener of the audit committee shall report their communication with the independent directors 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 to appoint 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, 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:

1. Handling matters relating to board meetings and shareholders meetings according to laws.
2. Producing minutes of board meetings and shareholders meetings.
3. Assisting in onboarding and continuous development of directors and supervisors.
4. Furnishing information required for business execution by directors and supervisors.
5. Assisting directors and supervisors with legal compliance.
6. Other matters set out in the Articles of Incorporation 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 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 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, and is advised to adopt a candidate nomination system for the election of directors.

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 adopts internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

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 A manager of the Company may not serve as a manager of its affiliated enterprises, except in accordance with legislation and approved by a board resolution by the majority of directors attending a meeting that is attended by the majority of all directors.

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:

1. 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.
2. 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.
3. It shall comply with relevant laws, regulations and the Articles of Incorporation of the Company in nominating directors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. 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.
6. The representative that is designated when a corporate shareholder has been elected as a director 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 directors concurrently serving as company officers not exceed one-third of the total number of the board members, 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:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties and the diversity representation of the Board. Furthermore regard for the benefits of diversity on the Board. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. 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 and 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 is advised to specify in its Articles of Incorporation 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 other equivalent position (highest managerial position). If the chairperson also acts as the general manager or other equivalent position (highest managerial position) or the chairperson and general manager or other equivalent position (highest managerial position) are spouses or relatives within one degree of consanguinity, it is advisable that the number of independent directors be increased and there be a majority of the members of the board of directors who are not employees or managers.

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 TWSE/GTSM listed 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.

Where the Company has created the position of managing director, the managing directors shall include no less than one independent director, and no less than one-fifth of the managing director seats shall be held by independent directors.

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 GreTai Securities Market.

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:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. 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.
3. A matter bearing on the personal interest of a director.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. 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 Audit Committees and Other 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 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 GTSM.

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 A whistleblowing system

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 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 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 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 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 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 of Directors Meeting.

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:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the 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 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:

1. Corporate business plans.
2. 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.
3. 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.
4. 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.
5. The offering, issuance, or private placement of any equity-type securities.
 6. The performance assessment and the standard of remuneration of the managerial officers.
 7. The structure and system of director's remuneration.
 8. The appointment or discharge of a financial, accounting, or internal audit officer.
 9. 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.
 10. 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 Director's faithful duty and responsibility

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.

The Company formulate rules and procedures for board of directors performance assessments, and that each year it conduct regularly scheduled performance assessments of the board of directors, functional committees, and individual directors through self-assessment, peer-to-peer assessments, engaging outside professional institutions, or in any other appropriate manner. It is advisable that the performance assessment of the board of directors include the following aspects, and that appropriate assessment indicators be developed in consideration of the Company's needs:

1. The degree of participation in the Company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

It is advisable that performance assessments of board members (self-assessments or peer-to-peer assessments) include the following aspects, with appropriate adjustments made on the basis of the Company's needs:

1. Their grasp of the Company's goals and missions.
2. Their recognition of director's duties.

3. Their degree of participation in the Company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

It is advisable that the performance assessment of a functional committee cover the following aspects, subject to changes according to the Company's needs:

1. Their degree of participation in the Company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. 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 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 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 of the Company, 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 IV Powers and Obligations of Audit Committee

Article 41 Audit committee shall supervise the implementation of the operations of the Company, and the performance of duties by directors and managers, and care the enforcement of the internal control system so as to reduce the financial and operational risks of the Company.

Where a director, for himself/herself or on behalf of others, enters into a sale/purchase or loan transaction, or conducts any legal act with the Company, audit committee shall act as the representative of the Company.

Article 42 Audit committee may investigate the operational and financial conditions of the Company from time to time, and the relevant departments in the Company shall provide the books or documents that will be needed for the supervisor's review, transcription or duplication.

When reviewing the finance or operations of the Company, audit committee may retain attorneys or CPAs on behalf of the Company to perform the review; however, the Company shall inform the relevant persons of their confidentiality obligations.

The board of directors or managers shall submit reports in accordance with the request of the Audit committee and shall not for any reason circumvent, obstruct, or refuse the inspection of the Audit committee.

When Audit committee member performs his/her duties, the Company shall provide necessary assistance needed, and the reasonable expenses that the Audit committee needs shall be borne by the Company.

Article 43 For Audit committee to timely discover any possible irregular conduct in the Company, the Company shall establish a channel for Audit committee to communicate with the employees, shareholders, and stakeholders.

Upon discovering any irregular conduct, Audit committee shall take appropriate measures timely to curb the expansion of the irregular conduct, and file a report to the relevant regulatory authorities or agencies if necessary.

When an independent director or general manager, an officer of the finance, accounting, research and development, or internal audit department, or a CPA resigns or is removed from his/her position, the audit committee shall investigate the reasons.

In the event that Audit committee member neglects his/her duties and therefore causes harm to the Company, the Audit committee shall be liable to the Company.

Chapter V Respecting Stakeholders' Rights

Article 44 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 45 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 46 The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management or directors so as to reflect employees' opinions about the management, financial conditions, and material decisions of the Company concerning employee welfare.

Article 47 In developing its normal business and maximizing the shareholders' interest, the 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 VI Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 48 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 GTSM rules. 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.

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.

Article 49 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 50 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 51 The Company shall hold an investor conference in compliance with the regulations of the GTSM, 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 GTSM rules.

Section 2 Disclosure of Information on Corporate Governance

Article 52 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 GTSM rules:

1. Corporate governance framework and rules.
2. Ownership structure and the rights and interests of shareholders, (including specific and explicit dividend policy).
3. Structure, professionalism and independence of the board of directors.
4. Responsibility of the board of directors and managerial officers.

5. Composition, duties and independence of the audit committee.
6. Composition, duties and operation of the remuneration committee and other functional committees.
7. The remuneration paid to the directors, 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 shall be disclosed.
8. The progress of training of directors.
9. The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.
10. Details of the events subject to information disclosure required by law and regulations.
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.
12. Other information regarding corporate governance.

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.

Chapter VII Supplementary Provisions

- Article 53** 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 54** These rules shall be implemented after approval by the board of directors. The same procedure shall be applicable to any amendment hereof.

Procedures for Ethical Management and Guidelines for Conduct

Article 1 The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for “Ethical Management and Guidelines for Conduct” (hereinafter the "Procedures and Guidelines") are adopted pursuant to the provisions of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the company with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which this Corporation's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.

Article 2 For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties

Article 4 The benefits mentioned in this operating procedure and conduct guide shall refer to money, gifts, presents, commissions, positions, services, preferential treatment, sales commissions, facilitating payments, entertainment, hospitality, and other things of value in any form or name.

Article 5 The Company shall designate the President as the solely responsible unit (hereinafter, "responsible unit") under the Board of Directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors:

1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs to prevent unethical conduct and setting out in each program the

standard operating procedures and conduct guidelines with respect to the company's operations and business.

3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 6 Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Money, property, or other benefits with a market value of NT\$10,000 or less offered to or accepted from a person other than relatives or friends; or gifts of property with a total market value of NT\$10,000 or less given by another party to the majority of the personnel of the Company, provided that the total market value of the property offered to the same counterparty or coming from the same source within a single fiscal year shall be limited to NT\$50,000.
7. Property with a market value of NT\$200,000 or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.
8. Other conduct that complies with the rules of the Company.

Article 7 Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by Chairman of the Company.

Article 8 The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 Political contributions by this Corporation shall be made in accordance with the following provisions, reported to the supervisor in charge for approval, and a notification given to the responsible unit, and when the amount of a contribution is NT\$500,000 or more, it shall be made only after being reported to and approved by the board of directors:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

Article 10 Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit. When the amount is NT\$500,000 or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business..
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 When the Company's director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12 The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

Article 13 The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14 The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, within three days, recall those products or suspend the services, verify the facts and present a review and improvement plan.

The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 15 All Company personnel shall adhere to the provisions of the “Securities and Exchange Act”, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16 The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of

corruption.

4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19 All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20 Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from the other party certain percentage of the contract price as damages, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 As an incentive to insiders for informing of unethical or unseemly conduct, the Company will grant a reward of more than NT\$6,000 depend on the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material. The Company shall internally establish and publicly announce on its website, or provide through an independent mailbox or hotline, for Company insiders to submit reports. A whistleblower shall at least furnish the following information:

1. The whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.
2. The informed party's name or other information sufficient to distinguish its identifying features.

3. Specific facts available for investigation.

Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

The responsible unit of the Company shall observe the following procedure:

1. An information shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of the Company shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 22 If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23 The responsible unit of the Company shall organize awareness sessions each year and arrange for the chairman, general manager, or senior management to communicate the importance of ethics to its directors, employees, and mandataries.

The company shall include the ethical corporate management in its employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 The Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor

and reported to the shareholders meeting.

When the Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

Article 25 The Procedures and Guidelines was set up on October 18, 2016.

Corporate Social Responsibility Best Practice Principles

Chapter I General Principles

Article 1 In order to fulfill the corporate social responsibility initiatives and to promote economic, social and environmental balance and sustainable development, the company established these principles for compliance based on “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.”

Article 2 The principles apply to the Company, including entire operations of the company and its business group.

The company shall actively fulfill its corporate social responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article 3 In fulfilling corporate social responsibility initiatives, the company shall, in its corporate management and business operations, give due consideration to the social mores and the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

Article 4 To implement corporate social responsibility initiatives, the Company comply to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article 5 The Company shall comply with relevant laws, regulations, its Articles of Incorporation, agreements entered into with the TWSE or GTSM, and other relevant rules. Further, it is advised to take into consideration the development of domestic and international corporate social responsibility principles and the operation of individual company and of its respective business groups as a whole in establishing its policies, systems or relevant management protocols for corporate social responsibility programs, which shall be approved by the board of directors.

Chapter II Exercising Corporate Governance

Article 6 The board of directors of the Company shall exercise the due care of good administrators to urge the Company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of the Company is advised to give full consideration to the following matters, in the Company's performance of its corporate social responsibility initiatives:

1. Making corporate social responsibility the guiding principle of the Company's operations and development;
2. Identifying the Company's corporate social responsibility mission (or vision, values) and declaring its corporate social responsibility policy; and

3. Enhancing the disclosure of corporate social responsibility information.

Article 7 For the purpose of managing corporate social responsibility initiatives, the General Manager Office serves as the exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies or systems of the company and to report on the same to the board of directors on a periodic basis.

Article 8 The Company shall respect the rights and interests of stakeholders, identify and understand the reasonable expectations and demands of stakeholders through proper communication with them and allowing their participation, and shall adequately respond to the important corporate social responsibility issues which such parties are concerned about.

Article 9 The Company shall follow Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and the Code of Ethical Conduct for TWSE/GTSM listed Companies to establish effective corporate governance framework and relevant ethical standards so as to enhance corporate governance.

Article 10 The Company shall comply with relevant laws and regulations and observe the following guidelines to maintain a fair competition environment:

1. Avoid engaging in unfair competition.
2. Faithfully fulfill tax-related obligations.
3. Not tolerate bribery or corruption and establish appropriate management systems.
4. Corporate endowments should be made in accordance with the company's internal procedures.

Article 11 The company is advised to, on a regular basis, organize training on business ethics and promotion of matters prescribed in the preceding Article for directors and employees, and should incorporate the foregoing into its employee performance appraisal system to establish a clear and effective reward and discipline system.

Chapter III Fostering a Sustainable Environment

Article 12 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business activities.

Article 13 The Company is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 14 The Company is advised to establish proper environment management systems based on the characteristics of their industries. Such environment management systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Examining the purpose of the environmental sustainability goals or their achievement on a regular basis.

Article 15 ISEP Department serves as the dedicated unit for environment management to maintain the environment management system and should hold environment education courses for their managerial officers and employees on a periodic basis.

Article 16 The Company is advised to take into account the effect on ecological efficiency, promote and educate consumers on the concept of sustainable consumption, and conduct research and development and services in accordance with the following principles to

reduce the impact on the natural environment from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 17 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures. The Company shall avoid polluting water, air and land in the course of its business operations. If pollution is unavoidable, the company shall take into account cost efficiency, technology and financial feasibility and use its best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 18 The Company is advised to monitor the impact of climate change on its operations and should establish company strategies for energy conservation and carbon and greenhouse gas reduction based upon its operations and the result of a greenhouse gas volume check. Such strategies should include obtaining carbon credits to promote and minimize the impact of its business operations on the natural environment.

Chapter IV Preserving Public Welfare

Article 19 The Company shall comply with relevant labor laws and regulations, protect the legal rights and interests of employees, respect internationally recognized principles of the labor force's human rights, and shall not commit violations against the fundamental labor rights. The human resources policies of the Company shall be founded on the principles of the labor force's human rights and shall contain appropriate management methods and procedures.

Article 20 The Company shall provide information for its employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 21 The Company is advised to provide safe and healthful work environments for its employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

Article 22 The Company is advised to create an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

Article 23 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the Company's operations, management and decisions.

Article 24 To maintain the Company's service responsibility and uphold marketing ethics, the Company is advised to establish and disclose policies on consumer rights and interests and enforce such consumer rights and interests policies.

Article 25 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries.

The Company shall follow the laws and regulations of the government and relevant international guidelines when marketing or advertising its products or services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 26 The Company is advised to provide a clear and effective procedure for accepting

consumer complaints to fairly and timely handle consumer complaints, shall comply with relevant laws and regulations for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 27 The Company is advised to assess the impact its procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with its suppliers on environmental protection, safety, or health, etc. to jointly foster a stronger sense of corporate social responsibility.

Article 28 The Company is advised to evaluate the impact of its business operations on the community and adequately employ personnel to enhance community acceptance.

The Company is advised to, through commercial activities, endowments, volunteering service or other charitable professional services, dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter V Enhancing Disclosure of Corporate Social Responsibility Information

Article 29 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to its corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

1. The policy, systems and relevant management guidelines for corporate social responsibility initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the corporate social responsibility initiatives established by the Company.
4. Result of implementing corporate social responsibility initiatives.
5. Other information relating to corporate social responsibility initiatives.

Article 30 The Company is advised to produce corporate social responsibility report disclosing the status of its implementation of the corporate social responsibility policy. The report is advised to include:

1. The framework, policy and proposal of implementing corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment and preservation of public welfare.
4. Future improvements and goals.

Chapter VI Supplementary Provisions

Article 31 The company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve its established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 32 These principles, and any amendments hereto, shall be implemented upon approval by board of directors.

Code of Ethical Conduct

Article 1 Purpose and basis for adoption

This code is established in order to guide the actions by the directors and managerial officers of the company to comply with ethical standards and for stakeholders to understand the content of ethical standards and code of conduct.

Article 2 Scope of Application

This code is applicable to directors and managerial officers of the company.

Managerial officers referred to in the previous section include general managers or their equivalents, assistant general managers or their equivalents, deputy assistance managers or their equivalents, chief financial and chief accounting officers and other persons authorized to manage affairs and sign documents on behalf of a company.

Article 3 Honest and Ethical Conduct

The directors and managers of the company shall perform their obligations with an honest attitude and in compliance with professional standards, including handling factual or obvious conflicts of interest between personal matters and their duties in a fair manner.

Article 4 Prevention of Conflict of Interest

Directors and managers of the company shall handle the company's business in an objective and efficient way and shall not take advantage of their duties to try to obtain undue benefit for themselves, their spouses, parents, children or other family members within second degrees of kinship.

In order to prevent conflict of interest, any capital lending, endorsement and guarantee or significant transaction of asset between the company and the above persons or their affiliated enterprises shall be subject to prior approval by the board of directors and shall be carried out in accordance with relevant legislations and company rules. Product purchase (sale) shall be based on best interest of the company and conducted in accordance with relevant rules of the company's procurement and sales cycles.

No manager or any of the affiliates shall serve in the same department as any employee who is a spouse or family member within second degrees of kinship, nor shall they serve any duties that should be managed separately under the internal control mechanism. If there is any special need for the above employee who is a spouse or family member within second degrees of kinship to serve the function, report to and approval by the board of directors shall be required.

Article 5 Prohibition against Insider Trading

Directors and managers of the company shall comply with legislations against insider trading and other securities legislations about stock transactions and handling of trade secrets. No relevant securities transactions shall be engaged while holding significant and unpublished information.

Article 6 Prohibition against Gift, Bribery or Undue Interest

In performing their duties, no director or manager of the company shall request, offer, deliver or receive any form of gift, entertainment, kickback, bribe or other undue benefit for personal, company or third party interest, except if the gift or entertainment is allowed by social customs or company rules.

Article 7 Avoid Opportunity to Seek Private Interest

When the company faces an opportunity to seek profit, directors and managers shall maintain or increase the fair and legal interest that may be obtained by the company.

No director or manager shall use the company's property, information or take advantage of their due to seek private interest. Other than in accordance with rules of company law or articles of association, there shall be no conduct in competition with the company.

Article 8 Confidentiality Responsibility

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

Article 9 Fair Transaction

The company is dedicated to market competition through outstanding operational management and services and shall not seek results through illegal or unethical measures. Directors and managers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 10 Safeguarding and proper use of Company Assets

The company's assets shall be protected and shall only be used properly for legal commercial purposes of the company. Directors and managers have the responsibility to protect the company's assets and shall ensure that they are effectively and legally used in the company's business, avoiding any impact on the company's profit making capability due to theft, negligence or waste.

Article 11 Legal compliance

Directors and managers of the company shall comply with rules under the Company Act, Securities and Exchange Act and other applicable laws, regulations, and bylaws.

Article 12 Encouraging reporting on illegal or unethical activities

Directors and managers of the company shall promote ethical rules and encourage employees to report to manager, chief internal auditor, or other appropriate individual with sufficient information in case of doubt or discovery of any violation of legislation or this code. Once any reported case is confirmed, the company shall grant a reward in accordance with the "Employee Reward and Discipline Guidelines".

The company shall adopt a concrete whistle-blowing system and properly handle the above reported information in a confidential and responsible manner and shall make its best effort to protect the safety of the reporter from any form of threat. For any malicious and false report, the company shall give guidance and, if required, impose a sanction to correct the discipline. If any person believes that he or she is subject to any revenge, threat or harassment due to the above conduct, it shall be reported to the immediate supervisor or manager immediately and the company shall take immediate and proper measures.

Article 13 Sanctions

Any violation of this code by any director of the company shall be reported to the board of directors or shareholder meeting for review, sanctions shall be imposed based on the gravity of the matter. If any managers of the company violates this code, other than significant cases which shall be reported to the board of directors, sanction shall be imposed in accordance with the "Employee Reward and Discipline Guidelines" of the company. However, in case of significant violation of relevant legislation, the company

shall pursue civil and criminal legal liability to protect the interest of the company and the shareholders.

Following confirmation of the conduct in violation of this code under the previous section and sanction measures, information such as the date of violation, reason for violation, violated code and handling situation shall be disclosed on the Market Observation Post System in time and in accordance with the legislations.

Article 14 Complaint System

If any director or managerial officer of the company violates this code, if evidence is available allowing for immediate complaint, relevant supporting information shall also be sent to appropriate staff, the board of directors or shareholder meeting (principle of avoidance to be respected in case of violation) for discussion and final resolution.

Violating Department	Department to Receive Complaint	Department to Determine Sanction
Managerial officer (excluding General manager)	General Manager	General Manager, Board of Directors
General manager	Board of Directors	Board of Directors
Directors	Other Directors	Shareholder's Meeting

Article 15 Procedures for exemption

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

Article 16 Method of Disclosure

This code shall be disclosed on the company website, in the annual report, prospectuses and on the Market Observation Post System. The same shall be applicable to any amendment.

Article 17 Implementation

This code shall be implemented after approval by more than half of all audit committee members and submitted to the Board of Directors for further approval, and then report to the shareholders' meeting. The same shall be applicable to any amendment.

NOVA TECHNOLOGY CORPORATION

Articles of Incorporation

Chapter 1 General

Article 1 : The Company is organized under the terms of the Company Act and its name shall be 朋億股份有限公司 in the Chinese language, and NOVA TECHNOLOGY CORP. in the English language.

Article 2 : The Company's business is as follows:

1. C801010 Basic chemical industry
2. C801020 Petrochemical raw material manufacturing
3. C801030 Precision Chemical Materials Manufacturing
4. C805050 Industrial Plastic Product Manufacturing
5. CA02010 Metal structure and building module manufacturing
6. CA02050 Valve manufacturing
7. CA02090 Metal wire product manufacturing
8. CA02990 Other metal products manufacturing
9. CB01010 Machinery and equipment manufacturing
10. CB01030 Pollution prevention equipment manufacturing industry
11. CB01990 Other machinery manufacturing
12. CC01010 Power generation, transmission, and distribution machinery manufacturing
13. CC01080 Electronic component manufacturing
14. CC01990 Other electrical and electronic machinery and equipment manufacturing
15. CE01010 General instrument manufacturing
16. E103101 Environmental Protection Engineering Professional Construction Industry
17. E502010 Fuel pipe installation engineering
18. E599010 Plumbing industry
19. E601010 Electrical appliance industry
20. E601020 Electrical installation industry
21. E603010 Cable installation engineering
22. E603020 Elevator installation engineering
23. E603040 Fire safety equipment installation engineering
24. E603050 Automatic Control Equipment Engineering
25. E603080 Traffic Signal Installation Engineering
26. E603090 Lighting installation engineering
27. E603100 Welding Engineering
28. E604010 Mechanical installation industry
29. E605010 Computer equipment installation industry

30. E801010 Interior decoration industry
31. E801020 Door and window installation engineering
32. E801030 Indoor light steel frame engineering
33. E903010 Anti-corrosion, anti-rust engineering industry
34. EZ02010 Lifting Engineering
35. EZ05010 Instrument and instrument installation engineering
36. EZ06010 Traffic Marking Engineering
37. EZ07010 Drilling Engineering
38. EZ09010 Electrostatic Protection and Elimination Engineering
39. EZ15010 Insulation, cold insulation installation engineering
40. EZ99990 Other engineering industry
41. F107200 Chemical raw materials wholesale
42. F107990 Other chemical wholesales
43. F113010 Machinery Wholesale
44. F113020 Electric appliance wholesale
45. F113030 Precision Instrument Wholesale
46. F113050 Computer and transactional machinery and equipment wholesale
47. F118010 Information software wholesale
48. F119010 Electronic materials wholesale
49. F207200 Chemical raw materials retail
50. F207990 Other chemicals retail
51. F213030 Computer and transactional equipment retail
52. F213040 Precision Instrument Retail
53. F213990 Other machinery and equipment retail
54. F218010 Information Software Retail
55. F219010 Electronic materials retail
56. F401010 International trade
57. G801010 Storage industry
58. H701050 Invest in public construction
59. I103060 Management Consultancy
60. I301010 Information Software Services
61. IF01010 Fire safety equipment maintenance industry
62. IG03010 Energy Technology Services
63. IZ06010 Tally packaging industry
64. IZ12010 Manpower dispatch
65. J101030 Waste removal industry
66. J101040 Waste treatment industry
67. J101050 Environmental Testing Services
68. J101060 Waste (sewage) water treatment industry
69. J101070 Radioactive Waste Treatment Services
70. JA02010 Electrical and electronic products repair industry

71. JE01010 Leasing industry

72. ZZ99999 In addition to the licensing business, businesses that are not prohibited or restricted by business regulations

Article 3 : The Company is headquartered in Hsinchu County, Taiwan Province. If necessary, it can set up branches or subsidiaries at home and abroad through the resolution of the Board of Directors.

Article 4 : The total amount of investment made by the company in other invested companies shall not be restricted by Article 13 of the Company Law. The board of directors is authorized to make such investment.

Article 5 : The Company's announcement method is governed by the Company Act and other related laws and regulations.

Article 6 : The Company can guarantee externally that it is not subject to the Article 16 of the Company Act and that the endorsement of the endorsement is carried out with the consent of the Shareholders' meeting.

Chapter 2 Shares

Article 7 : The company's capital is generally rated at NT\$25 million and is divided into NT\$10 per share, NT\$10 per share, issued in multiple installments, and unissued shares are subject to actual resolution by the Board of Directors. The amount of NT\$10,000 was reserved for the use of the employee's share certificate in the total capital of the preceding paragraph. It was divided into 10,000 shares and NT\$30 per share. It may be issued in multiples according to the resolution of the Board of Directors.

Article 7-1 : Treasury stocks bought back by the company in accordance with the Company Act, new shares issued by the company, employee stock warrants or the restricted employee shares can be granted to employees of parents or subsidiaries of the company as well whoever meets criteria developed by the Company.

Article 8 : The company's shares are registered by the director's signature and are issued after being legally granted a visa. The Company may acquire the non-printed stocks and shall contact the centralized securities depository institution to log in; the issuance of other securities shall be the same.

Article 9 : The Company's shareholding operations are handled in accordance with the relevant laws and regulations and the regulations of the competent authority.

Chapter 3 Shareholders' Association

Article 10 : The Shareholders' meeting is divided into general meeting and temporary meeting. The general meeting is held once a year and is held within six months after the end of each fiscal year. The temporary meeting is held according to law when necessary. The convening regulations are handled in accordance with relevant laws and regulations.

Article 11 : When the shareholders are unable to attend the Shareholders' meeting for any reason, they are issued a letter of authorization issued by the company, indicating the scope of the authorization, entrusting the agent, attending the Shareholders' meeting. In addition to the provisions of Article 177 of the Company Act and other relevant laws and regulations, the method of appointing a shareholder to attend shall be handled in accordance with the "Procedures" of the "Public Issuing Company to Attend the Shareholders' meeting" issued by the competent authority.

When the Company holds a Shareholders' meeting, it shall exercise its voting rights in writing or electronically. The Company shall list electronically as one of the shareholder's voting rights. Shareholders who vote by electronic means shall be deemed to be present in person. According to the regulations of the Act.

- Article 12 : The Company shareholders have one vote per share, but none of the parties to the provisions of Article 179 of the Company Act have the right to vote.
- Article 13 : Resolutions of Shareholders' meeting, unless otherwise provided by the Act, shall be attended by shareholders representing more than half of the total number of issued shares, subject to the consent of a majority of shareholder's voting rights.
- Article 13-1: Resolutions of Shareholders' meeting shall be made as Minutes of Meeting, signed or sealed by Chairman and distributed to Minutes of Meeting within 20 days after the meeting. They shall be kept forever during the existence of the company. The production and distribution of Minutes of Meeting can be made electronically or by way of announcement.
- Article 13-2: When the company wishes to cancel the public offering of shares, it must have obtained approval from the Board of Directors, and shareholder's attendance on behalf of the holders of shareholder's voting rights by attending Shareholders' meeting on behalf of more than two-thirds of the total number of issued shares. If the total number of shares attending the shareholder is less than the above-mentioned quota, the majority of shareholders who have represented the total number of issued shares can attend the meeting and agree to share more than two-thirds of the voting rights of the shareholder. During the period of development and listing (cabinet), this clause does not change.

Chapter 4 Directors and audit committee

- Article 14 : The Company has five to nine directors for a term of three years. The shareholder's meeting will be selected by the person who has the ability to act and be reelected. The election of the directors shall nominate a nominee system for election, which shall be selected by Shareholders' meeting on the list of candidates. When the term of director expires but not re-election, he will extend his executive duties until the reappointment of directors to take office, and the proportion of shares held by all directors will be handled according to the regulations of the securities regulatory authority.

In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with relevant laws, rules and regulations. Except for the election of new Directors across the board, the new Directors shall serve the remaining term of the predecessors.

The nomination, selection method and related treatment of the Company directors shall be handled in accordance with the Company's "Directors Election Procedures" and related regulations.

In the Company directors quota, the number of independent directors must not be less than three and not less than one-fifth of directors' seats. Independent director adopts the nomination system for candidates, which is selected by shareholders on the list of independent directors candidates. The professional qualifications of the independent director, shareholding, part-time restrictions, nomination and selection methods, and other matters to be followed are handled in accordance with the relevant regulations of the competent authority.

- Article 14-1: The Company has been authorized by the Board of Directors for the purchase of liability insurance, the amount of insurance and the insurance coverage of the director's liability for the scope of its business operations within the director's term of office.
- Article 14-2: The Company establishes an audit committee in accordance with Article 14-4 of the Securities and Exchange Act and consists of all independent directors. Regarding the number of audit committees, terms of office, powers, Procedures, and other matters, according to the relevant provisions of the "Public Issuing Company Audit Committee to exercise powers," the provisions of the audit committee organizational rules set.

Article 14-3: The Company's Board of Directors has a payroll commission or other functional committee due to business operations.

Article 14-4: The Company Board of Directors should be held at least quarterly. The convocation of the Board of Directors shall set forth the reasons for notifying the directors seven days before, but may be called upon at any time in the event of an emergency. The Company Board of Directors is called up in writing, fax or e-mail.

When directors cannot attend the Board of Directors for any reason, they shall draw a power of attorney, and shall appoint the scope of authorization for the cause of the commission to appoint other directors to attend.

The above agent is subject to the entrustment of one person.

When the Board of Directors was convened, the videoconferencing meeting was made available to them. Directors participating in the videoconferencing were regarded as attending in person.

The resolution of the Board of Directors, with the exception of the Company Act, the Mergers and Acquisitions Act or other laws and regulations, takes the majority of directors' presence and consents to the majority of directors present.

Article 15: The Board of Directors is organized by directors, the board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairman of the board. The chairman of the board of directors shall represent the Company in external matters.

Article 16: The Board of Directors, except as otherwise required by the Company Act, is called by the directors. When a director takes leave or fails to exercise his authority for any reason, his agent shall handle it according to Article 208 of the Company Act.

Article 16-1: The remuneration of all directors, the company has to pay remuneration, and its remuneration authorizes Board of Directors to refer to the recommendations of the Compensation Committee and to the value of its participation in, and contribution to, the company's operations, and to reference the usual levels of the industry.

Chapter 5 Managers and staff

Article 17: The Company can be established as a manager. Its appointment, dismissal and remuneration are governed by Article 9 of the Company Act.

Article 18: The Company has been resolved by the Board of Directors to hire consultants or key staff.

Chapter 6 Final accounts of revenue

Article 19: At the end of the fiscal year, the Company shall prepare the following lists by the Board of Directors. They shall be submitted to the Audit Committee for review by Shareholders' general meeting 30 days before the Shareholders' general meeting (I) Business Reports (II) Financial Statements (III) Proposals for Distribution of Surplus or Provision for Loss.

Article 19-1: If the company is profitable for the year, it should retain the amount of accumulated losses before tax. The net profit before tax of not including dispatched employees' and directors' remuneration shall be no less than 3% for employee remuneration, and then set not more than five percent for directors.

Employee and directors remuneration are resolved by a majority vote at a Board of Directors meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting.

Employee remuneration shall be distributed in stocks or in cash. The payment shall apply to employees of parents or subsidiaries of the company as well whoever meets criteria developed by the Board of Directors.

- Article 20: If the company has a surplus for the year, it is distributed in the following order:
- i. Withholding taxes;
 - ii. make up for losses;
 - iii. Deposit 10% of the statutory surplus reserve, except when the statutory reserve has reached the total paid-in capital;
 - iv. Authorize or repatriate special surplus reserves in accordance with law or the competent authority;
 - v. The balance depends on the company's environment, growth stage and long-term financial plan to retain some of the surplus. For its balance and accumulated undistributed earnings for the previous year, Board of Directors regards the financial situation and economic development of the current year, assigning shareholders. Dividends and bonuses are submitted by the Board of Directors to the Shareholders' meeting resolution.

The Company authorizes the distributable dividends and bonuses, legal or capital reserve, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors then report to shareholders' meeting; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting, in this case the aforesaid resolution at the meeting of shareholders in the previous section will not apply.

Article 20-1: The Company will consider the company's environment and growth stage. In response to the unsatisfied funding requirements, financial structure, surplus situation and balanced and stable dividend policy, depending on the funding needs and the dilution of the company's earnings per share, the Company will allocate the surplus for distribution each year. Not less than 10% of shareholder dividends are distributed. The Company may adopt a modest stock dividend or cash dividend method, of which the cash dividend shall not be less than 10% of the total dividends paid. However, due to the company's significant investment plan and the inability to obtain other funds, the board of directors proposed and the shareholders' meeting decided not to issue cash dividends.

Chapter 7 Annex

Article 21: All matters not specified in this charter are subject to the provisions of the Company Act.

Article 22: This Articles of Association was concluded on May 27, 1997

The first revision was made on June 28, 2000

The second revision was made on July 27, 2000

The third revision was made on December 10, 2000

The fourth revision was made on June 28, 2002

The fifth revision was made on December 10, 2002

The sixth revision was made on March 8, 2004

The seventh revision was made on June 28, 2004

The eighth revision was made on June 27, 2005.

The ninth revision was made on June 30, 2006

The tenth revision was made on June 1st, 2007

The eleventh revision was made on June 9, 2008

The twelfth revision was made on March 2, 2009

The thirteenth revision was made on August 12th, 2010
The fourteenth revision was made on October 7th, 2011
The fifteenth revision was made on February 26, 2013
The sixteenth revision was made on June 30, 2014
The seventeenth revision was made on August 21, 2014
The eighteenth revision was made on May 27, 2015.
The nineteenth revision was made on May 30, 2016
The twentieth revision was made on December 5, 2016
The twenty-first revision was made on May 22, 2017.
The twenty-second revision was made on May 24, 2019.
The twenty-third revision was made on May 21, 2020.

NOVA TECHNOLOGY CORPORATION

Chairman : Chin-Li Liang

Rules of Procedure for Shareholder Meetings

Article 1 (Basis and purpose)

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/GTSM Listed Companies".

Article 2 (Scope)

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 (Definition)

The term "shareholders" as used in this Procedures refers to the agents to whom the shareholders and the shareholders are present.

Article 4 (Convening shareholders meetings and shareholders meeting notices)

- (1) Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.
- (2) The Company 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 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. The Company 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, the Company 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 the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
- (3) 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.
- (4) Election or dismissal of directors, amendments to the articles of incorporation, capital reduction, termination of public offering, lifting the prohibition of competition on directors, earnings transferred to common stock, capital surplus transferred to common stock, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act shall be set out in the notice of the reasons and main reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

The content could be displayed on websites designated by regulatory authorities of stock market of the company, and the website should be manifested in a notification.

- (5) If the meeting notice has specified the re-election of directors and the date of inauguration. As the re-election is completed on the shareholders' meeting, such resolution of inauguration date should not be changed in the same meeting by an extraordinary motion or other means.
- (6) A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. When the shareholder's proposal is to promote the company's devotion in public welfare or its social responsibility, such limitation is lifted. In addition, 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.
- (7) Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals by written or electronic, 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.
- (8) Prior to the date for issuance of notice of a shareholders meeting, the Company 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 5 (Attendance at Shareholders' meeting and authorization)

- (1) For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- (2) 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 the Company before 5 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.
- (3) After a proxy form has been delivered to the Company, 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 the Company before 2 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 6 (Principles determining the time and place of a shareholders meeting)

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

Article 7 (Preparation of documents such as the attendance book)

- (1) The Company 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.
- (2) 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.
- (3) Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company 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.
- (4) The Company shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- (5) The Company 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.
- (6) 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.

Article 8 (The chair and non-voting participants of a shareholders meeting)

- (1) If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.
- (2) When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.
- (3) It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors (at least one independent director) in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
- (4) If a shareholders meeting is convened by a party with 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 mutually select a chair from among themselves.

- (5) The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 9 (Documentation of a shareholders meeting by audio or video)

The Company, 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 shall be retained 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.

Article 10 (Shareholders' meeting attendance calculations and meetings)

- (1) 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 plus the number of shares whose voting rights are exercised by correspondence or electronically.
- (2) The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.
- (3) 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 1 month.
- (4) 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 11 (Discussion of proposals)

- (1) If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant agendas (including the extraordinary motion or amendment of the existing agenda) should be resolved case by case. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
- (2) 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.
- (3) The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair 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 chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

- (4) The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote. Attendees should be offered with adequate time to vote.

Article 12 (Shareholder speech)

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 13 (Calculation of voting shares and recusal system)

- (1) Voting at a shareholders meeting shall be calculated based the number of shares.
- (2) With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
- (3) 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.
- (4) The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
- (5) With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 14 (Resolution, scrutiny and counting of motions)

- (1) 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.
- (2) When the Company holds a shareholders meeting, it may allow the shareholders to exercise voting rights by electronics means or 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.
- (3) 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 before 2 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.
- (4) 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 the Company, by the same means by which the voting rights were exercised, before 2 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.
- (5) Except as otherwise provided in the Company Act and in the Company'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.
- (6) 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.
- (7) 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.
- (8) 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 the Company.
- (9) 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.

Article 15 (Election matters)

- (1) The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, 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.
- (2) 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 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 16 (Minute of Meeting and Signing Events)

- (1) 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.
- (2) This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
- (3) 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 results (including the weighted voting). When an election of directors is held, the number of weighted votes each candidate wins shall be publicized and shall be retained for the duration of the existence of the Company.

Article 17 (Public disclosure)

- (1) 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.
- (2) 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 GreTai Securities Market) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 18 (Maintaining order at the meeting place)

- (1) Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- (2) The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
- (3) 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 chair may prevent the shareholder from so doing.
- (4) When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 19 (Recess and resumption of a shareholders meeting)

- (1) When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- (2) If the meeting venue is no longer available for continued use and not all of the items including extraordinary motions on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
- (3) A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 20 (Implementation)

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Procedure for Acquisition or Disposal of Assets

Article 1 Purpose and source of Act

The Company has established this operating procedure in accordance with Article 36 of the Securities and Exchange Act and " Regulations Governing the Acquisition and Disposal of Assets by Public Companies " for the purpose of strengthening asset management, safeguarding investment, and implementing information disclosure. Acquiring or disposing of assets is performed in accordance with the provisions of this procedure.

Article 2 Asset scope

The scope of the assets referred to in this procedure is as follows:

- 2.1 Stocks, public debts, corporate bonds, financial bonds, recognition of the fund's securities, depository receipts, subscriptions (sales) warrants, beneficiary securities, and asset-based securities.
- 2.2 Real estate (including land, housing and construction, investment property, and construction industry inventory) and equipment.
- 2.3 Membership Card.
- 2.4 Intangible assets such as patents, copyrights, trademark rights, franchise rights, etc.
- 2.5 Right-of-use assets
- 2.6 Claims of financial institutions (including accounts receivable, purchase discounts, lending, and collection payments).
- 2.7 Derived goods.
- 2.8 Assets acquired or dispositioned by merger, division, acquisition or transfer of shares pursuant to law.
- 2.9 Other important assets.

Article 3 Glossary

5.1 Derivative Products:

Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

5.2 Assets acquired or dispositioned in accordance with law mergers, divisions, acquisitions or share transfers:

Refers to assets acquired or discontinued pursuant to the Mergers and Acquisitions Act, the Company Act, the Merger Act of the Financial Institutions, or other laws, mergers, divisions, or acquisitions, or the issuance of new shares pursuant to Article 156-3 of the Company Act Received shares of other companies (hereinafter referred to as shares).

5.3 Relationships, Subsidiaries:

It shall be determined in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- 5.4 The real estate appraiser:
Refers to real estate appraisers or other persons who may engage in the evaluation of real estate and equipment according to law.
- 5.5 The date of the facts:
Refers to the date of the transaction contract date, payment date, commission transaction date, transfer date, Board of Directors resolution day or other sufficient amount to determine the date of transaction and the transaction amount, and other dates. However, investors who are required to be approved by the competent authority shall be subject to the above date or the date of approval of the competent authority.
- 5.6 Investment in the Mainland:
Refers to investments in mainland China engaged in regulations concerning investment or technical cooperation licensing in the mainland by the Investment Review Commission of the Ministry of Economic Affairs.
- 5.7 The so-called “The latest financial statement” means that the company publicly audits the financial statements audited or certified by the certified public accountant before obtaining or disposing of the assets.

Article 4 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:

- 4.1 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.
- 4.2 May not be a related party or de facto related party of any party to the transaction.
- 4.3 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 following:

- 4.3.1 Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- 4.3.2 When examining 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.
- 4.3.3 They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, 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.
- 4.3.4 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 reasonable and accurate, and that they have complied with applicable laws and regulations.

Article 5 Limits for acquisition of real estate or securities not for business use

- 5.1 The company and its subsidiaries individually obtain the following limits for real estate or securities not used for business use:
- 5.1.1 The total amount of real estate not purchased for business use must not exceed 50% of the company's latest net financial statement.
- 5.1.2 The total amount of portfolio investment may not exceed 50% of the company's latest financial statement's net value; the amount of individual portfolio investment may not exceed 30% of the company's latest financial statement's net value. The calculation of the value of securities investment does not include guaranteed securities.
- 5.2 The Company's re-investment is subject to the Board of Directors resolution authorizing the company's Articles of Association to do so. It is not subject to the thirteenth article of the Company Act and must not exceed the limit of forty percent of paid-in capital.

Article 6 Obtain or Dispose of Evaluation and Operating Procedures for Securities

- 6.1 Price Determination Method and Reference
In order to obtain or dispose of securities, the latest company's financial statements audited by an certified public accountant or verified by a certified public accountant should be used as a reference for evaluating the transaction price before the factual occurrence date.
- 6.2 Ask the experts to issue opinions
- 6.2.1 To obtain or dispose of securities, and if the transaction amount reaches 20 percent of the company's paid-in capital or more than NT\$300 million, they should contact the certified public accountant to express their opinion on the reasonableness of the transaction price before the factual occurrence date. If an certified public accountant needs to use an expert reporter, he shall apply for the stipulation of the Auditing Standards Bulletin No. 20 issued by the Foundation of the Republic of China on Accounting Research and Development (hereinafter referred to as the Accounting Research and Development Foundation). However, unless the Financial Supervisory Commission has otherwise provided a stipulation in the open market price quoted by the active trading market, it shall not be so limited.
- 6.2.2 Calculation of the transaction amount shall be handled in accordance with the provisions of 13.2, and within one year of the alleged period, based on the date of the occurrence of the transaction, and retrospectively calculated for one year, which has been issued by professional appraisers according to the provisions of this procedure. The valuation report or certified public accountant's comments are not counted back.
- 6.3 Authorized Credits and Tiers
- 6.3.1 For the purpose of the operation, the transfer of equity shall be subject to equity disposal. If the amount of each transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, it shall be submitted to the Board of Directors, if not more than 20 percent of the company's paid-in capital or NT\$300 million, authorized by the chairman to approve and reported to the nearest Board of Directors for review.
- 6.3.2 Obtain or dispose of public debts, corporate bonds, financial bonds, domestic and foreign bond funds, and domestic and foreign currency funds for the purpose of financial dispatch. If the amount of each transaction exceeds NT\$100 million, it shall be submitted via the Board of Directors. Passed by Directors, who had not reached NT\$100 million, authorized the directors to

approve the transaction. The transaction amounted to more than 70 million yuan, and was subsequently reported to the nearest Board of Directors for review.

6.3.3 For other securities that are acquired or dispositioned for the purpose of financial dispatch, each transaction amounting to more than NT\$70 million should be submitted by the Board of Directors, which is less than NT\$70 million. Authorize the directors to approve the transaction, and the transaction amount exceeds 50 million yuan. Afterwards, report to the nearest Board of Directors for verification.

6.3.4 Other securities not obtained or disbursed for business or financial purposes, with a transaction value of NT\$30 million or more, should be submitted by the Board of Directors, which is less than NT\$30 million. , authorized directors long approval.

6.3.5 The negotiable certificates of deposit, short-term commercial and bank acceptance bills, and the purchase and sale of bonds with the conditions for repurchasing and selling shall not be limited to this, but shall be approved by the directors.

6.4 Implementation Unit

The company's acquisition and disposal of long-term and short-term securities investment should be performed by the financial unit after the nuclear authority has been submitted for verification.

6.5 Trading Process

The Company obtains or disposes of the transaction process of securities, which is handled in accordance with the provisions of the company's internal control system investment cycle related operations.

Article 7 Obtaining or Disposing of Evaluation and Operating Procedures of Real Estate or Equipment

7.1 Price Determination Method and Reference

To obtain or dispose of real estate, equipment or right-of-use assets, reference shall be made to the present value of the announcement, the assessed value, and the actual transaction price of the nearby real estate. The transaction conditions, transaction price, and analysis report shall be prepared through procedures such as inquiry, price comparison, bargaining, or public tendering. Reporters are long.

7.2 Asked experts to issue a valuation report

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless 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 or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

7.2.1 Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

7.2.2 When the transaction amount exceeds NT\$1 billion, more than two professional appraisers should be valued.

7.2.3 The professional appraiser's valuation result has one of the following

circumstances, except that the valuation result of the acquired asset is higher than the transaction amount, or the valuation result of the disposition asset is lower than the additional transaction amount, and the certified public accountant should be consulted according to the accounting research and development fund. The stipulations of the Auditing Standards Bulletin No. 20 issued by the Club shall be handled, and specific opinions shall be expressed on the reasons for the discrepancy and the rationality of the transaction price:

- (1) The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.
- (2) The gap between the valuation results of two or more professional appraisers is more than 10% of the transaction amount.

7.2.4 The date of the contractor's pre-declaration date, the date of issue of the report and the date of the contract shall not exceed three months. However, if it applies to the present value of the same period of announcement and does not exceed six months, the original real estate appraiser may issue a written opinion.

7.2.5 A person who obtains or disposes of assets through a court auction procedure may replace the valuation report with a certificate issued by the court.

7.2.6 The calculation of the transaction amount shall be handled in accordance with the provisions of 13.2.

7.3 Authorized Credits and Tiers

The acquisition or disposal of real estate, equipment or right-of-use assets with a transaction amount of NT\$80 thousands to NT\$30 million (inclusive) shall be submitted to the chairman for approval; if the transaction amount exceeds NT\$30 million (inclusive), it must be approved by the Board of Directors. .

7.4 Implementation Unit

When the company acquires or disposes of immovable property, equipment or right-of-use assets, it shall be subject to the approval of the nuclear authority of the foregoing paragraph, and the use department and related power and responsibility units shall be responsible for the execution.

7.5 Trading Process

The Company obtains or disposes of transaction procedures for real estate, equipment or right-of-use assets, and is required to comply with the Company's internal control system for real estate, plant and equipment cycle-related operations.

Article 8 Obtaining or Disposing of Assets from Related Persons and Procedures

8.1 The Company obtains or divests assets from a related party. If the transaction amounted to more than 10% of the company's total assets, it shall also obtain the valuation report or opinion of the certified public accountant issued by the real estate appraiser according to the provisions of the preceding article. The calculation of the transaction amount shall be handled in accordance with the provisions of 13.2. When judging whether the transaction partner is a related person, he should consider the substantive relationship in addition to his legal form.

8.2 The Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements,

or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:

- 8.2.1 The purpose, necessity and expected benefits of acquiring or arranging assets.
- 8.2.2 The reasons why the selected person is the subject of the transaction.
- 8.2.3 With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 8.3 and Article 8.4.
- 8.2.4 The date and price of the original acquisition of the related party, the transaction object and its relationship with the company and its related parties.
- 8.2.5 It is expected that the monthly cash income and expenditure forecast table for the coming one month of the future of the contract month will be reviewed and the necessity of the transaction and the rationality of the use of funds will be assessed.
- 8.2.6 The valuation report issued by a real estate appraiser obtained pursuant to 8.1, or the opinion of the certified public accountant.
- 8.2.7 Restrictions and other important commitments of this transaction.
- 8.2.8 Calculation of the transaction amount shall be handled in accordance with the provisions of 13.2, and within one year of the alleged period, based on the date of the occurrence of the transaction, and retroactively calculated for one year in advance. All members of the Audit Committee shall have been regulated in accordance with the provisions of this procedure. More than half agree and submit to the Board of Directors to waive the recognition again.
- 8.2.9 With respect to the types of transactions listed below, when to be conducted between the 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 7.3 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:
 - (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.
- 8.2.10 The Company shall fully consider the opinions of independent directors when obtaining or disposing of assets to Board members of the Board of Directors. If an independent director has any objections or reservations, he shall state in the Minutes of Meeting of Board of Directors.

8.3 Evaluation of the Rationale of Transaction Costs

- 8.3.1 To obtain real estate or right-of-use assets from a related party, the following methods should be used to assess the reasonableness of transaction costs:
 - (1) Add the necessary funds interest and the buyer's legal cost to the transaction price of the related party. The so-called necessary capital interest cost is calculated based on the weighted average interest rate of the borrowed items of the company's purchased assets, but it must not be higher than the highest non-financial industry borrowing rate announced by the Ministry of Finance.
 - (2) If the related party once set the mortgage borrower to the financial institution with the subject matter, the financial institution assesses the

total value of the loan against the subject matter, but the cumulative value of the actual lending of the subject matter by the financial institution should reach the loan and loan assessment More than 70% of the total value and more than one year during the loan period. However, it is not applicable if the financial institution and one of the parties to the transaction are related to each other.

8.3.2 Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in Article 8.3.1.

8.3.3 To acquire real estate or right-of-use assets from a connected person, the cost of the real property or right-of-use assets should be assessed in accordance with 8.3.1 and 8.3.2, and certified public accountant should review and express specific opinions.

8.3.4 The acquisition of immovable property or right-of-use assets from a connected person is subject to the provisions of 8.2 related assessments and operating procedures, and does not apply the assessment requirements for the reasonableness of transaction costs specified in 8.3.1 to 8.3.3.

- (1) A person in a relationship acquires immovable property or right-of-use assets because of inheritance or gift.
- (2) The time for the contractor to obtain immovable property or right-of-use assets was more than five years before the contract date of the transaction.
- (3) Signing a co-construction contract with a affiliated person, or requesting the affiliated person to build an immovable property and obtaining real estate from the committee of the Party committee or the building committee of the prefecture.
- (4) The real property right-of-use assets for business use are acquired by the 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.

8.4 When the evaluation results are lower than the transaction price according to 8.3.1 and 8.3.2, they shall be handled in accordance with 8.5. However, if due to the following circumstances, the objective evidence and the specific rationality opinions of the real estate appraiser and the certified public accountant shall be provided, this shall not apply:

8.4.1 If the affiliate obtains the redevelopment of the original land or rented land, he or she must produce evidence that meets one of the following conditions:

- (1) As assessed by the method prescribed in 8.3, prime real estate is calculated based on the construction cost of the related party plus a reasonable construction profit, which is the aggregate of the actual transaction price. The so-called reasonable construction profits shall be based on the average operating gross margin of the related party's construction department in the recent three years or the lowest gross profit margin of the construction industry announced by the Ministry of Finance.
- (2) Other non-relationship transactions within one year in other floors of the same subject premises or in adjacent areas are similar in area, and the conditions are comparable if the transaction conditions are assessed on the basis of reasonable floor or regional spreads in accordance with the conventions governing the sale of real estate or lease.

8.4.2 Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

8.5 To acquire real estate or right-of-use assets from a related party, if the evaluation results are lower than the transaction price as stipulated in 8.3 and 8.4, the following matters shall be handled:

8.5.1 Special surplus reserves shall be provided in accordance with the Articles of Incorporation and the relevant laws and regulations for the difference between the price of the real property or right-of-use assets transaction and the evaluation cost, and shall not be distributed or transferred for capital allocation. Investors who evaluate the equity of the company's investment in the equity method, if they are publicly-issued companies, shall also set aside a special surplus reserve in accordance with relevant laws and regulations in proportion to the amount of such an offer.

8.5.2 Independent director members of the Audit Committee shall comply with Article 218 of the Company Act.

8.5.3 The former 8.5.1 and 8.5.2 cases should be submitted to Shareholders' meeting and the details of the transaction should be disclosed in the annual report and the public statement.

The company and the public offering company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its consent.

8.6 The Company obtains real estate or right-of-use assets from related parties. If there is any other evidence showing that the transaction is inconsistent with business practices, it shall comply with the provisions of 8.5.

8.7 The provisions of this Article relating to 10% of the total assets shall be calculated on the basis of the total amount of assets in the most recent individual financial report as stipulated in the standard for the preparation of the financial report of the securities issuer.

Article 9 The Company acquires or disposes of evaluation and operating procedures of intangible assets or right-of-use assets thereof or memberships.

9.1 Price Determination Method and Reference

To obtain or dispose of intangible assets or right-of-use assets thereof or memberships, it is necessary to consider the potential benefits and market-

determined value of the assets in the future, and if necessary, refer to expert opinions and negotiate with the transaction counterparts.

9.2 Ask experts to issue opinions

The company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation; the calculation of the aforementioned transaction amounts shall be handled in accordance with the provisions of 13.2.

9.3 Authorized Credits and Tiers

9.3.1 Obtaining or disposing of a membership card, if the transaction amount is less than NT\$1 million (inclusive), it shall be submitted through the company's own internal signing and submitted to the chairman for approval; if the transaction amount exceeds NT\$1 million, it must be approved by the Board of Directors..

9.3.2 Obtaining or disposing of intangible assets or right-of-use assets, if the transaction amount is less than NT\$1 million (inclusive), must be signed by the company and submitted to the chairman for approval, and the latest Board of Directors should be submitted. If the transaction amount exceeds NT\$1 million, it must be approved by the Board of Directors.

9.4 Implementation Unit

The company's obtaining and disposing of intangible assets or right-of-use assets thereof or memberships shall be performed by the user unit and the relevant power and responsibility unit after the nuclear authority has been submitted for verification.

9.5 Trading Process

The Company obtains or disposes of intangible assets or right-of-use assets thereof or memberships, which is handled in accordance with the Company's approval list and internal control system procurement and payment cycle procedures.

Article 10 Evaluation and Operation Procedures for Obtaining or Disposing Derivative Products

In order to effectively manage the company's income and expenditure, assets and liabilities due to changes in foreign exchange, interest rates, etc., and the company's exposure to derivative commodity transactions.

Article 11 Acquire or dispose of derivative products for assessment

In order to effectively manage the company's income and expenditure, assets and liabilities due to changes in foreign exchange, interest rates, etc., engaged in derivative commodity trading risks.

11.1 Business or hedging strategy

The Company engages in derivative commodity transactions to circumvent risks arising from fluctuations in exchange rates, interest rates or asset prices, and to hedge against foreign currency positions in the receivables/payables or financial asset liability arising from the company's business within the next six months. Before the transaction is conducted, it must be determined as a safe-haven operation.

11.2 Division of powers and responsibilities

The person to whom the financial unit may conduct derivative commodity transactions and the confirmation must be assigned by the treasurer.

Set up transaction confirmation and Settlement Officer. The confirmation staff is responsible for confirming the transaction with the counterparty. The Settlement Officer is responsible for arranging due settlements, and the transaction confirmation must not be the same as the Settlement Officer.

11.3 Determination of the total amount of the transaction deed and the maximum loss limit

11.3.1 The total amount of the transaction contract

(1) Hedging Operations

The total amount of the company's total safe-haven contract shall not exceed the foreign currency position of receivables/payables arising from the company's business within the next six months.

(2) Trading Operations

The types of transactions are limited to currency exchange contracts and swap exchanges.

11.3.2 Maximum Loss Limit

(1) Hedging Operations

If the company's individual (all) contract loss is more than 5% of the market price, the company will need to report whether the director's approval will be settled.

The maximum individual (all) contract loss limit shall not exceed the limit of 10% of the individual (all) transaction contract amount. If the maximum loss limit is exceeded, the announcement shall be made in accordance with the "13 Announcement Declaration Procedure".

(2) Trading Operations

If the individual (all) contract losses of the company are at a loss of more than 5% of the market price, they shall report to the chairman for approval whether or not the position will be settled.

The maximum individual (all) contract loss limit shall not exceed the limit of 10% of the individual (all) transaction contract amount. If the maximum loss limit is exceeded, the announcement shall be made in accordance with the "13 Announcement Declaration Procedure".

11.4 Performance Evaluation

11.4.1 Hedging Operations

The performance of hedging operations is measured and assessed based on hedging strategies.

11.5 Delegation Lines and Levels

The authorization limits and hierarchies of hedging operations are as follows: The company's authorized trader must be able to enter into the transaction only after the amount of the transaction contract specified in 11.3.1 has been approved by the chief financial officer and approved by the treasurer.

Each transaction must be internally signed in accordance with the amount of credit, and its authorization limit, transaction approval and hierarchy are as follows:

Amount (NT\$)	Department heads	General manager	Chairman	Board of Directors
Below 100 million	Review	Review	Approved	Recognize
100 million or more	Review	Review	Review	Resolution

In order to enable the transaction partner to cooperate with the supervision and management of the Company, the transaction authorization amount and level specified in this section should be notified in writing to the transaction target. However, the written confirmation with the transaction object, regardless of the amount of money, is signed by the treasurer.

11.6 Major Derivative Commodity Trading

Major derivatives transactions should be dealt with in accordance with relevant regulations and provide Board of Directors for resolutions.

11.7 Implementation Unit and Process

11.7.1 Confirming the Transaction Section.

11.7.2 Related trend analysis and judgment.

11.7.3 Determining hedging practices:

- (1) The subject of the transaction
- (2) Trading position
- (3) Target price and range
- (4) Trading Strategies and Patterns
- (5) The price reference is based on the open quotation system.

11.7.4 Obtaining Approval of a Transaction.

11.7.5 Executing a Transaction

(1) Transaction object:

When selecting trading partners, they must first consider the consideration of credit risk.

(2) Traders:

The company's personnel who perform derivative commodity transactions should first sign the agreement with the top decision-making director, general manager, and directors of the finance department to inform the company's current financial institutions that the non-mentioned personnel should not engage in transactions.

11.8 Risk Management

11.8.1 Credit Risk:

The company is limited to the principle that the company trades with the company's banks or well-known financial institutions, and can provide professional information, otherwise it should sign the highest decision-making director of the finance department to agree.

11.8.2 Market risk:

The Company focuses on hedging transactions in derivative financial products due to changes in interest rates, changes in exchange rates, or other factors, and should be controlled at all times.

11.8.3 Liquidity Risk:

In order to ensure liquidity, it is necessary to confirm with the capital personnel before the transaction that the transaction amount will not result in insufficient liquidity.

11.8.4 Cash Flow:

The Company should maintain sufficient liquid assets and financing facilities to meet the demand for delivery funds.

11.8.5 Operational Risk:

The Company determines the authorization limit and operation process to avoid operational risks.

11.8.6 Legal Risk:

Documents signed by the company and counterparties must be reviewed by internal legal personnel or legal advisors before they can be formally signed to avoid legal risks.

11.9 Internal Control

11.9.1 The Company's trading staff and confirmation and delivery personnel shall not hold concurrent positions.

11.9.2 When a transaction occurs, the trader should fill out the transaction transaction slip and submit it to the confirmation person for confirmation. Confirmation personnel should confirm and count the statistics in the part master table according to the transaction slip and the transaction object.

11.9.3 Personnel for measurement, supervision and control of risks shall be assigned to different departments with the personnel of the preceding paragraph and shall report to the Board of Directors or Chairman.

11.10 Regular Evaluation Methods and Handling of Abnormal Situations

The risk management transactions that the finance department needs to handle must be evaluated at least twice a month. The evaluation report should be submitted to the high-level executives authorized by the Board of Directors. Report to the Board of Directors if there is an abnormal situation, and take the necessary measures for response.

The assessment items should include the following items:

11.10.1 Regularly assess whether the performance of engaging in derivative commodity transactions meets established business strategies.

11.10.2 Whether the risk assumed is within the scope of the company's tolerance.

11.10.3 Assessment of risk management measures on a monthly basis: Regularly assess whether the risk management measures currently in use are appropriate and do in accordance with the Company's procedures for dealing with derivative commodity transactions.

11.10.4 The Ministry of Finance shall deal with the provisions of the Business Accounting Law, the Financial Accounting Standards Communique and the relevant competent authority's letter of order. If there are no relevant regulations, the details shall be logged in and the monthly realized and unrealized profit and loss statements shall be calculated.

11.11 The Company is engaged in derivative commodity transactions. The Board of Directors does supervise and manage according to the following principles:

11.11.1 Designated senior executives should always be aware of the supervision and control of the risk of derivative commodity transactions.

11.11.2 Regularly assess whether the performance of the derivative commodity transaction is in line with the established business strategy and whether the risk assumed is within the scope of the company's tolerance.

11.12 High-level executives authorized by the Board of Directors shall manage the transactions of derivative commodities in accordance with the following principles:

11.12.1 Regularly evaluate the appropriateness of the risk management measures currently in use, and do so in accordance with this Act and the company's procedures for dealing with derivative commodity transactions.

11.12.2 When supervising transactions and gains and losses and discovering unusual circumstances, they shall take necessary measures and report to the Board of Directors immediately. Board of Directors shall have

independent director to attend and express opinions.

- 11.13 Internal auditors should regularly understand the permissibility of the internal control of derivative commodity transactions, and check monthly the compliance of relevant trading departments with the relevant provisions of this process, analyze the trading cycle, and prepare audit reports. If major violations are found, Written notice to the audit committee member.
- 11.14 The Company engages in derivative commodity transactions and should prepare a reference book. The details of the types, amounts, dates of the Board of Directors adoption, and those that should be carefully assessed in accordance with 11.10 for engaging in derivative commodity transactions are detailed in the Reference Book for future reference.
- 11.15 The company managers and sponsors who engage in derivative commodity transactions shall follow the provisions of this process to protect the company from unfair losses. If any violation of the relevant laws or regulations of this procedure is involved, its punishment shall be handled in accordance with the provisions of the company's relevant personnel regulations.
- 11.16 The Company's subsidiary is intended to engage in derivative commodity trading. The company should urge it to establish procedures for the processing of derivative commodity transactions and implement it in accordance with relevant regulations before implementing the Board of Directors resolution. If the subsidiary of the Company engages in derivative commodity transactions, it should periodically provide relevant information to the company for verification.

Article 12 Process of merger, split, acquisition or share transfer evaluation and operating procedures

- 12.1 The Company acquires or disposes of assets in accordance with legal mergers, divisions, acquisitions or transfer of shares. It is governed by the relevant provisions of the "Crete for Handling Acquisition and Disposal of Assets by Public Companies" and "Business Mergers and Acquisitions Act".
- 12.2 The Company is required to obtain an agreement, merger, division, acquisition or share transfer to the certified public accountants, lawyers or securities underwriters before the Board of Directors resolution is convened to justify the conversion ratio, the purchase price, or the allotment of cash or other assets of shareholders. Express opinions and submit to the Board of Directors for discussion and adoption. However, if the company merges directly or indirectly subsidiaries that hold 100% of the issued shares or total capital, or if they directly or indirectly hold 100% of the issued shares or the total amount of capital in the merger of subsidiaries, they may avoid obtaining reasonable opinions from the former experts.

Article 13 Announcement procedure

- 13.1 When the company acquires or disposes of assets, it shall, in accordance with the nature, submit the relevant information to the designated website of the Financial Supervisory Commission within 2 days from the date of occurrence of the facts and provide the relevant information to the parent company of the group in the prescribed format according to the nature. :
 - 13.1.1 The company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic

government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises shall not be included.

- 13.1.2 Merge, split, acquisition or transfer of shares.
- 13.1.3 Losses incurred in the trading of derivative commodities amount to the total or individual contract loss limit specified in the prescribed treatment procedures.
- 13.1.4 Acquired or disposed of equipment or right-of-use assets for business use, and the parties to the transaction are not related parties, and the transaction amount has reached NT\$500 million or more.
- 13.1.5 The Company has acquired or disposed of the real estate or right-of-use assets for construction use by the company in construction business and the transaction partner is not a related party, and the transaction amount has reached more than NT\$500 million.
- 13.1.6 The real estate is obtained from the methods of the construction of the local committee, the lease of the land, the construction of the sub-houses, the construction of the sub-units, and the construction of the sub-sales. The company expects to invest more than NT\$500 million in the transaction the parties to the transaction are not related parties.
- 13.1.7 Excluding the previous six-point asset transactions, financial institutions disposing of claims, or engaging in investment in the mainland, the transaction amount of the company's paid-in capital amounted to 20 percent or more than NT\$300 million. However, the following circumstances are not limited:
 - (1) Trading of domestic government bonds.
 - (2) Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
 - (3) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

13.2 The transaction amount in the preceding paragraph is calculated as follows:

- 13.2.1 The amount of each transaction.
- 13.2.2 Accumulate within one year the amount of the transaction with the same nature as the person obtaining or disposing of the same nature.
- 13.2.3 Accumulated acquisitions or dispositions (acquisition, disposition, respectively) of the amount of real estate or right-of-use assets of the same development plan within one year.
- 13.2.4 Accumulation or disposition (acquisition, disposal separately) of the same amount of securities within one year.
- 13.2.5 Within one year within the said period, based on the date of occurrence of the transaction, the retrospective calculation will be made one year in

advance, and the part announced in accordance with the provisions shall not be counted.

- 13.3 The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Financial Supervisory Commission by the 10th day of each month and provide relevant information on a monthly basis. Information to the parent company of the group.
- 13.4 The Company shall announce that the project should be re-announced within two days from the date of the knowledge, if there is any error or omission in the announcement and it should be corrected.
- 13.5 The Company obtains or disposes of assets, and the relevant contracts, Minutes of Meeting, reference books, valuation reports, certified public accountants, lawyers, or securities underwriters' opinions shall be kept in the Company. This information is kept for at least five years unless otherwise provided by other Acts.
- 13.6 After the Company declares a transaction in accordance with the provisions of the preceding paragraph of this Article, any one of the following circumstances shall report the relevant information on the designated website of the Financial Supervisory Commission within two days from the date of the factual occurrence:
 - 13.6.1 The relevant contract signed in the original transaction has been changed, terminated or cancelled.
 - 13.6.2 Mergers, splits, acquisitions or transfer of shares are not completed on a contractual schedule.
 - 13.6.3 The contents of the original announcement declaration have been changed.
- 13.7 If the subsidiary of the Company is not a public issuer and acquires or disposes of assets that meet the declared standards for the publication of Articles 30 and 31 of the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies ", the Company shall also the subsidiary handled the notification of the announcement. The applicable reporting standards of the subsidiary company shall be related to the declared amount of the paid-in capital or the total assets, which is based on the paid-in capital of the company or the total assets.

Article 14 The Company's subsidiary shall comply with the following provisions:

- 14.1 The Company shall urge its subsidiaries to stipulate and execute procedures for obtaining or disposing of assets in accordance with the provisions of Regulations Governing the Acquisition and Disposal of Assets by Public Companies by Financial Supervisory Commission.
- 14.2 The acquisition or disposal of assets by each subsidiary shall be reported to the Company prior to the fact that the "Procedure for Acquisition or Disposal of Assets" or other legal provisions should be approved by the Board of Directors. The Company's responsibilities and units should assess the feasibility, necessity and rationality of the acquisition or disposition of assets, and follow up the execution status afterwards to conduct an analysis review.
- 14.3 The Company's internal auditors should regularly audit the compliance status of each subsidiary's " Procedure for Acquisition or Disposal of Assets " and prepare an audit report. After the findings and recommendations of the audit report are submitted, they should notify the affected subsidiaries to improve. It also regularly produces follow-up reports to ascertain that it has taken appropriate

improvement measures in a timely manner.

Article 15 The Company has directly or indirectly waived the capital increase of Winmax Technology Corp. (hereinafter referred to as Winmax Company) and Suzhou Winmax Technology Corp. (hereinafter referred to as Suzhou Winmax Company) in each year, either directly or indirectly. If Winmax Company and Suzhou Winmax Company hold shares, the company will lose its substantive control over Winmax Company and Suzhou Winmax Company, and it must first pass a special resolution of the board of directors of the company, and independent directors should attend and express their opinions. The contents of the resolution and the amendments to this article should be opened and public information should be entered into the major observing station information to be disclosed and a letter to the counter buying center for future reference.

Article 16 Penalties

The Company employees undertake to obtain and dispose of assets in violation of the provisions of this process, according to the company employee handbook regularly submit assessment, according to the severity of the punishment.

Article 17 Supplements to the Ordinance

The matter of this procedure is not exhausted and it is handled in accordance with the relevant laws and regulations. °

Article 18 Implementation and Correction

- 18.1 This operating procedure is approved by more than half of all members of the Audit Committee and is subject to resolution by the Board of Directors. The resolution is then submitted to the Shareholders' meeting with consent. If there are any directors who have objections and have written or written statements, the company shall disagreeing with the Audit Committee and submitting a shareholder's meeting for discussion will also be the same.
- 18.2 If more than one-half of the total number of members of the Audit Committee agree, the foregoing paragraph may be agreed by more than two-thirds of all directors, and the Board of Directors shall state the resolution of the Audit Committee in the Board of Directors Minutes of Meeting.
- 18.3 All the members of the Audit Committee referred to 18.1 in the preceding paragraph and all directors referred to in the preceding paragraph shall be calculated based on the actual incumbent.
- 18.4 When submitting the procedures for obtaining or disposing of assets to the Board of Directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of the independent directors shall be fully considered and the opinions and reasons for their consent or objection shall be included in the Minute of Meeting.

Procedures for Election of Directors

Article 1 Purpose and the basis

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. Except as otherwise provided by law and regulation or by this Corporation's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2 The abilities that must be present in the board

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

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- 1.The ability to make judgments about operations.
- 2.Accounting and financial analysis ability.
- 3.Business management ability.
- 4.Crisis management ability.
- 5.Knowledge of the industry.
- 6.An international market perspective.
- 7.Leadership ability.
- 8.Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 3 Qualifications for the independent directors

The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 4 Electoral machinery of directors

The cumulative voting method will be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act. Arbitrary addition of supporting documents for other eligibility requirements is disallowed while reviewing

the eligibility, education and experience of prospective directors, and presence of individual conditions under Article 30 of the Company Act or not and review results shall be provided to shareholders for their reference in order to select competent directors. The shareholders shall elect directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.

Article 5 By-election mode for the shortfall of directors

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 Preparation for the ballots

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7 Number of directors and elected mode

The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 8 Vote monitoring and counting

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9 Filling in the ballot

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the

name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 10 Invalid circumstances of the ballot

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 11 Count of votes

The ballot boxes shall be opened right after the voting session is completed. The Chair shall announce the voting result, including the list of elected directors and the number of votes in their favor.

Ballot examiners shall seal and sign the ballot papers indicated under election information in the preceding paragraph and keep them properly for at least one year. If a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, however, the abovementioned documents must be retained until the end of the litigation.

Article 12 Elected notice

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 13 Implementation

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Shareholding of All Directors

1. The company's registered capital was NT\$500,000,000, paid-in capital was NT\$339,280,000, and the number of issued capital was 33,928,000 shares.
2. According to the public issuer's directors, the number of shares of the supervisor, and the inspection and implementation of Procedures Article 2(1) to (2) and the proviso of the proviso, the total number of shares held by the company's directors shall be calculated in accordance with paragraph 2, but if it is lower than the first maximum total number of shares, it shall be calculated in accordance with the maximum total number of shares in the first paragraph, that is not less than 15 percent of 30,000,000 shares. Based on this, the total number of shares held by the Company's total directors Should be 4,500,000 shares; also the Company has elected independent director of four persons. According to the second item of the same law, the total number of directors of independent directors will be reduced to 80% according to the above-mentioned ratio of shareholdings. The number of statutory shares to be held is 3,600,000 shares, and the company has an audit committee. Therefore, there is no applicability of the statutory shares that should be held by the supervisor.
3. The record of the shareholder's meeting transfer cancellation date (March 22, 2020) is cut off. The status of individual and all directors held by the shareholder list is as follows:

Title	Name	Number of shares held	Shareholding ratio
Chairman	Representative of ACTER CO., LTD: Chin-Li Liang	21,098,179	62.19%
Director	Representative of ACTER CO., LTD: Chung-Cheng Hsu		
Director	Representative of ACTER CO., LTD: Bi-Hui Wu		
Independent Director	Chih-Yi Chi	0	0%
Independent Director	Sheng-Yung Yang	0	0%
Independent Director	Cheng Li	0	0%
Independent Director	Hui-Yin Chiu	0	0%
Total shareholding by all directors		21,098,179	62.19%

The other explanation

1. The process of proposals raised by shareholders during this annual general meeting: :
 - (1) According to Article 172-1 of the Company Act, shareholders with more than 1% ownership interest are entitled to raise a maximum of one proposal less than 300 words to the Company, which will be addressed during the annual general meeting.
 - (2) This year's annual general meeting was open to shareholders' proposals from March 15 to March 24, 2021, and these dates have been published on the Market Observation Post System in compliance with the relevant regulations.
 - (3) The Company did not receive any proposals from shareholders.
2. Influence of Proposed Stock Dividend Distribution upon 2020 Operating Performance and Earnings Per Share : The company proposed to distribute cash dividend, so it is not applicable.