

ADDcn Technology Co., Ltd

2019 Annual General Shareholders' Meeting Agenda Handbook

(Summary Translation)

(This translated document is prepared in accordance with the Chinese version and is for reference only. the company hereby disclaims any and all liabilities whatsoever for the translation. the chinese text of the handbook shall govern any and all matters related to the interpretation of the subject matter stated herein.)

Date: June 20, 2019

Venue: No. 40, Siyuan Road, Xinzhuang District, New Taipei City

Theater B (Amazing Hall-XinZhuang)

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ADDcn Technology Co., Ltd

2019 Annual General Shareholders' Meeting Agenda

Time: 9:00 am, June 20 (Thursday), 2019

Place: No. 40, Siyuan Road, Xinzhuang District, New Taipei City

Theater B (Amazing Hall-XinZhuang)

- I. Report the total shares represented by shareholders present in person or by proxy
- II. Call the meeting to order
- III. Chairman's speech
- IV. Report items
 - (1) 2018 Business report
 - (2) 2018 Supervisors' inspection report
 - (3) The status of compensation distribution for Directors, Supervisors, and the Employees of 2018
- V. Items for Ratification
 - (1) 2018 Business report and financial statements
 - (2) 2018 Profit distribution
- VI. Discussion Items
 - (1) Cash Distribution from Surplus capital
 - (2) Amendment to "Articles of Incorporation"
 - (3) Amendment to "Procedures of Acquiring or Disposing Assets of the company"
 - (4) Amendment to "Management of Loans to Others"
 - (5) Amendment to "Procedures for Endorsement and Guarantee"
- VII. Extempore Motions
- VIII. Adjournment

【Report items】

1. 2018 business report. (proposed by the Board of Directors)

Explanatory Notes:

business report is attached as appendix 1.

2. Adoption of 2018 Supervisors' inspection report. (proposed by the Board of Directors)

Explanatory Notes:

Supervisors' inspection report is attached as appendix 2

3. Adoption of the status of compensation distribution for Directors, Supervisors, and the Employees of 2018. (proposed by the Board of Directors)

Explanatory Notes:

(1) According to Article 20 of the Articles of Incorporation.

(2) The company's 2018 compensation distribution for employees is NT\$ 54,860,000, and the compensation distribution for Directors and Supervisors is NT\$ 7,323,000. The total sum of the compensation is distributed by cash, and the figure is accordant with the expenses recognized in 2018.

【Items for Ratification】

1. Adoption of 2018 business report and financial statements. (proposed by the Board of Directors)

Explanatory Notes:

(1) The Company's 2018 business report and financial statements have been approved by the Board of Directors on March 14, 2019. The Supervisors have inspected the business report and financial statements and have issued an inspection report.

- (2) The financial statements mentioned-above have been audited by independent auditors Yu, Sheng-Ho and Wu, Mei-Pin of KPMG in Taiwan and an unqualified audit report has been issued.
- (3) The business report, auditors' report and financial statements mentioned-above are attached as appendix 1 and appendix 3.

Resolution:

2. Adoption of 2018 surplus earnings distribution. (proposed by the Board of Directors)

Explanatory Notes:

- (1) The company's 2018 profit distribution table is attached as appendix 4.
- (2) We plan to allocate cash dividends from the 2018 distributable profit, which amount to NT\$ 451,337,400. The earnings per share are NT\$ 10.6, and are rounded down to the dollar unit. The total sum of the fractional figures will be ascribed into the company's other income.
- (3) Upon the approval of the Regular Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve on the ex-dividend date, payment date, and other relevant issues.
- (4) In the event that the subsequent changes in capital affect the number of outstanding shares and cause changes in the dividend payout ratio, it is proposed that the Board of Directors be authorized to adjust the payout ratio based on Company Act or other relevant regulations.

Resolution:

【 Discussion Items】

1. Cash Distribution from Surplus capital. Please proceed to discuss. (proposed by the Board of Directors)

Explanatory Notes:

- (1) It is proposed that the company to distribute cash of NT\$ 80,900,100 from the capital surplus-Additional Paid-in Capital-Share Issuance in excess of par value at NT\$ 1.9 per share.

The amount is distributed according to the shareholdings of the shareholders enrolled on the shareholders' list as of the ex-dividend date, and is rounded down to the dollar unit. The total sum of the fractional figures will be ascribed into the company's other income.

- (2) Upon the approval of the Regular Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve on the ex-cash distribution date, payment date, and other relevant issues.
- (3) In the event that the subsequent changes in capital affect the number of outstanding shares and cause changes in the cash payout ratio, it is proposed that the Board of Directors be authorized to adjust the payout ratio based on Company Act or other relevant regulations.

Resolution:

2. Amendment to “Articles of Incorporation.” Please proceed to discuss. (proposed by the Board of Directors)

Explanatory Notes:

In order to meet the need of the company's business, it is proposed that the company to amend its “Articles of Incorporation” based on the provisions of Company Act amended on August 1, 2018 (amendment no.10700083291). Please refer to appendix 5.

Resolution:

3. Amendment to “Procedures of Acquiring or Disposing Assets of the company.” Please proceed to discuss. (proposed by the Board of Directors)

Explanatory Notes:

In order to conform to the needs of laws and regulations and practical operation, the company hereby proposes to amend “Procedures of Acquiring or Disposing Assets of the company.” Please refer to appendix 6.

Resolution:

4. Amendment to “Management of Loans to Others.” Please proceed to discuss. (proposed by the Board of Directors)

Explanatory Notes:

In order to conform to the needs of laws and regulations and practical operation, the company hereby proposes to amend “Management of Loans to Others.” Please refer to appendix 7.

Resolution:

5. Amendment to “Procedures for Endorsement and Guarantee.” Please proceed to discuss. (proposed by the Board of Directors)

Explanatory Notes:

In order to conform to the needs of laws and regulations and practical operation, the company hereby proposes to amend “Procedures for Endorsement and Guarantee.” Please refer to appendix 8.

Resolution:

【 Extempore Motions 】

【 Adjournment 】

Attachment 1. Business Report

Good Morning, Ladies and Gentlemen:

Thank you for your support for ADDcn Technology for the past year, and participating in the 2019 general meeting of shareholders in the midst of pressing affairs. I represent ADDcn Technology Co., Ltd to welcome your visit and guidance.

I. Implementation Results of Business Plan

The Company's 2018 consolidated operating revenue is NT\$ 1,478,744 thousand, which, compared with the operating income of NT\$ 1,371,193 thousand in 2017, shows an increase of 7.84%. The income from continuing operations in 2018 is NT\$ 605,804 thousand, which, compared with the income from continuing operations of NT\$ 504,725 thousand in 2017, shows an increase of 20.03%, and the after tax earnings per share are NT\$ 14.04.

In 2018, the international circumstances are unstable and full of uncertain factors; the economy in Taiwan market is relatively stable, but is also full of severe challenges. In this ever-changing market, the operation group still made an outstanding performance; both the revenue and operating profits have reached a record high. In 2018, the effort for the comprehensive and friendly user experience in the “new construction projects on 591” (Property Trading) and in the “new car items on 8891” (Cars Trading) has made us keep extending the distance between the competitors. Under the effort of the group, “100 Interior Design” and “Marry” are gradually taking the lead as well. Besides, our operating group will continue to develop new services and markets; such websites as “Chickpt” (Part-Time Human Resource) and “8591.HK” have successively received ardent feedback too. Overseas markets have also yielded a fruitful harvest in 2018. After adjusting its strategies, “591.HK” can operate independently. Moreover, with the experience borrowed from “591.HK”, “8591.HK” has officially started to operate in the fourth quarter, adding fresh energy to the overseas markets.

In recent years, the internationalization tendency of the internet market in Taiwan is becoming obvious. Our company is grounded on the core of “matchmaking”; in order to expand the leading

advantages, we will face the gradually server challenges with a diverse manner, and will provide the members with various and convenient services. In 2019, we will continue the strategies applied in the last year. We are going to enrich our contents, to provide more convenient services and to cooperate with more below-the-line companies so as to demonstrate the websites' influences of "matchmaking." 518 (Human Resource) is making an effort to deepen its foundation, and will be dedicated to the groups of students and small enterprises to broaden the market participation degree of the platform. After 591.HK can operate independently, 8591.HK is going to borrow its experience to speed up the expansion of overseas markets. After years' endeavors of the group, such new platforms as "100 Interior Design" and "Marry" are gradually becoming one of the leading enterprises, and are expected to operate independently; besides, we are going to strenuously promote "Chickpt" to broaden its market share. It is expected that the overall arrangement and promotion mentioned-above will produce prominent helpfulness to the company's operation.

II. Financial Revenue and Expenditure and Profitability Analysis

The company's 2018 consolidated operating revenue, operating margin, operating net profit, income from continuing operations, net profit after tax, and after tax earnings per share are listed as follows:

Unit: In Thousands of New Taiwan Dollars

item \ year	2018	2017	YoY(%)
operating revenue	1,478,744	1,371,193	7.84%
operating margin	1,170,177	1,075,069	8.85%
operating net profit	728,260	602,277	20.92%
income from continuing operations	605,804	504,725	20.03%
net profit after tax	605,804	639,715	-5.30%
after tax earnings per share (dollar)	14.04	15.00	—

III. Status of Research and Development

Our company has more than ten million members; the data of their consumption behaviors will be important assets of the websites in the future. In order to enhance the efficiency brought by the digital resources, we are going to keep enriching the contents in the websites and to improve the algorithm of big data. Moreover, the optimization of the mobile applications is also an item which needs to keep endeavoring.

Thank you for all the shareholders' visit, and for the colleagues who have been working together. In the future, all the colleagues in the company will make every effort to boost the company's performance. We are going to create higher profit and value for all shareholders and to set sustainable operation as our ultimate goal.

Finally, may all your wishes come true.

Chairman	:	Liao, Shih-Fang
General Manager:		Wu, Tsung-Hsien
Chief Accountant:		Chang, Chiao-Ni

Attachment 2. Supervisors' inspection Report

ADDcn Technology Co., Ltd

Supervisors' inspection Report

Approved

The Board of Directors submitted the Company's 2018 business report, financial statements and surplus earning distribution proposal. Among the documents, the financial statements have been audited by independent auditors Yu, Sheng-Ho and Wu, Mei-Pin of KPMG in Taiwan and an audit report has been issued.

The supervisors have completed the verification of the above-mentioned 2018 business report, financial statements and surplus earning distribution proposal, and is of the opinion that there are no discrepancies contained therein. A statement is therefore announced as above in accordance with the provision of Article 219 of Company Act for your review and verification.

To 2019 General Shareholders' Meeting of ADDcn Technology Co., Ltd

Supervisor: Rui Qi investment ltd
Supervisor: Huang, Mu-Chuan
Supervisor: Chen, Chin-Han

March 14, 2019

Attachment 3. Independent Auditors' Report and the company's 2018 Financial Statements

Independent Auditors' Report

To the Board of Directors of Adden Technology Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Adden Technology Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2018 and 2017, 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 at December 31, 2018 and 2017, 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"), interpretation as well as related guidance endorsed 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming in our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgments, key audit matters to be communicated in the independent auditor's report are listed below:

1. Impairment assessment of intangible assets

Please refer to note 4(n) for the accounting policy of intangible assets, note 5(a) for information about assumptions and estimation uncertainties of impairment of intangible assets, and note 6(m) for change in intangible assets.

Description of key audit matter:

The Group identified goodwill, customer relationship, job hunting member database, computer software, brands and trademarks through merger and acquisition. Those intangible assets varies with business cycle affected by the market; furthermore, there is a high uncertainty of estimation. Therefore, impairment of intangible assets is a key audit matter in our audit of the consolidated financial statements.

How the matter was addressed with our audit:

Our principal audit procedures included: evaluating the CGU with potential impairment that management identified and their external and internal indicators of impairment based on the understanding of the Group, assessing the accuracy of past predictions, examining the bookkeeping records and computation table the management used to measure the recoverable amounts of CGU, measuring the rationality of every assumption used in the preparation of forecasting the future cash flows and recoverable amounts, as well as evaluating whether impairment assessment is disclosed properly.

2. Revenue recognition

Please refer to note 4(p) for the accounting policy of revenue and note 6(w) and note 6(x) for composition of revenue.

Description of key audit matter:

Sales revenue of the Group is mainly generated from operating online platforms. Revenue recognition varies by different trading type and economic substance. Besides, there is large quantity of sales traded through online platforms, increasing misstatement risk of revenue recognition. Therefore, revenue recognition is a key audit matter in our audit of the consolidated financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding trading model of each online platform to assess whether each revenue recognition policy is complied with statements of auditing standards, applying computer auditing skills on testing implementation of control for online platform revenue records, and examining the amount between transaction on online platforms and book value of revenue.

Other Matter

Adden Technology Co., Ltd. has additionally prepared its parent-company only financial statements as of and for the years ended December 31, 2018 and 2017, on which we have issued an unqualified 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 with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of 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 supervisors) 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 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Sheng-Ho Yu and Mei-Ping Wu.

KPMG

Taipei, Taiwan (Republic of China)
March 14, 2019

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Adden Technology Co., Ltd. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2018		December 31, 2017			December 31, 2018		December 31, 2017	
		Amount	%	Amount	%		Amount	%	Amount	%
	Current assets:						Liabilities and Equity			
							Current liabilities:			
1100	Cash and cash equivalents (note 6(a))	\$ 680,165	25	628,363	22	2151	Notes payable and accounts payable	\$ 3,713	-	5,850
1110	Current financial assets at fair value through profit or loss(note 6(b))	22,340	1	-	-	2200	Other payable (note 6(p))	295,850	11	347,619
1170	Note receivable and accounts receivable, net (note 6(f))	120,379	5	162,687	6	2220	Other payable to related parties (note 7)	6,962	-	-
1181	Accounts receivable due from related parties, net (note 7)	20,781	1	-	-	2131	Advance sales receipts (note 6(w))	199,353	8	189,148
130X	Inventories (note 6(g))	9,716	-	14,495	-	2335	Receipts under custody (note 6(p))	427,355	16	399,476
1476	Other current financial assets(note 6(n) and 8)	547,880	20	767,612	27	2399	Other current liabilities, others	3,314	-	5,873
1479	Other current assets, others(note 6(o))	21,305	1	28,100	1			936,547	35	947,966
		1,422,566	53	1,601,257	56		Non-Current liabilities:			34
	Non-current assets:									
1524	Non-current available-for-sale financial assets(note 6(d))	-	-	218,994	8	2570	Deferred tax liabilities (note 6(s))	13	-	187
1518	Equity investment at fair value through other comprehensive income (note 6(c))	195,651	7	-	-	2645	Guarantee deposits received	31,781	1	27,581
								31,794	1	27,768
1521	Debt investment at fair value through other comprehensive income (note 6(c))	70,351	3	-	-		Total liabilities	968,341	36	975,734
							Equity attributable to owners of parent (note 6(t)(u)):			35
1543	Non-current financial assets measured at cost (note 6(c))	-	-	57,128	2	3110	Ordinary share	425,790	16	425,805
1550	Investments accounted for using equity method (note 6(h))	25,825	1	-	-	3200	Capital surplus	421,815	16	566,585
1600	Property, plant and equipment (note 6(k))	721,297	27	779,914	28	3300	Retained earnings	1,057,324	39	978,490
1760	Investment property, net (note 6(l))	119,187	4	18,034	1	3400	Other equity interest	(202,555)	(8)	(137,067)
1780	Intangible assets (note 6(m))	111,326	4	119,151	4		Total equity attributable to owners of parent:	1,702,374	63	1,833,813
1840	Deferred tax assets (note 6(s))	24,271	1	24,087	1	36XX	Non-controlling interests	20,715	1	10,209
1995	Other non-current assets, others (note 6(o))	956	-	1,191	-		Total equity	1,723,089	64	1,844,022
		1,268,864	47	1,218,499	44		Total liabilities and equity			
		2,691,430	100	2,819,756	100			\$ 2,691,430	100	2,819,756
	Total assets	\$ 2,691,430	100	2,819,756	100					

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Addcn Technology Co., Ltd. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2018		2017	
		Amount	%	Amount	%
4100	Net sales revenue (note 6(w)(x) and 7)	\$ 1,478,744	100	1,371,193	100
5000	Operating costs (note 6(g))	<u>308,567</u>	<u>21</u>	<u>296,124</u>	<u>22</u>
5900	Gross profit (loss) from operations	<u>1,170,177</u>	<u>79</u>	<u>1,075,069</u>	<u>78</u>
6000	Operating expenses (note 6(f)(m)(r)(u)(y) and 7):				
6100	Selling expenses	176,472	12	189,669	14
6200	Administrative expenses	199,392	13	218,641	16
6300	Research and development expenses	54,862	4	64,482	4
6450	Impairment loss determined in accordance with IFRS 9	<u>11,191</u>	<u>1</u>	<u>-</u>	<u>-</u>
	Total operating expenses	<u>441,917</u>	<u>30</u>	<u>472,792</u>	<u>34</u>
6900	Net operating income (loss)	<u>728,260</u>	<u>49</u>	<u>602,277</u>	<u>44</u>
	Non-operating income and expenses:				
7100	Interest income	6,117	1	6,031	-
7225	Gain on disposal of investments (note 6(c)(j))	1,921	-	-	-
7110	Rent income (note 6(q) and 7)	1,132	-	1,705	-
7130	Dividend income (note 6(c))	400	-	-	-
7190	Other income, others (note 6(z) and 7)	17,762	1	12,627	1
7375	Share of profit of associates and joint ventures accounted for using equity method (note 6(h))	118	-	-	-
7230	Foreign exchange losses	(1,232)	-	(7,148)	-
7590	Miscellaneous expense	(784)	-	(2,246)	-
7610	Loss on disposal of property, plant and equipment	<u>(41)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
	Total non-operating income and expenses	<u>25,393</u>	<u>2</u>	<u>10,968</u>	<u>1</u>
7900	Profit (loss) from continuing operations before tax	<u>753,653</u>	<u>51</u>	<u>613,245</u>	<u>45</u>
7951	Less: income tax expenses (note 6(s))	<u>147,849</u>	<u>10</u>	<u>108,520</u>	<u>8</u>
	Profit from continuing operations	<u>605,804</u>	<u>41</u>	<u>504,725</u>	<u>37</u>
	Profit (loss) from discontinued operation (note 12(c)):				
8101	Loss from discontinued operation, net of tax	-	-	(7,379)	(1)
8102	Gain on disposal of assets or disposal groups constituting discontinued operation, net of tax	<u>-</u>	<u>-</u>	<u>142,369</u>	<u>11</u>
	Total profit from discontinued operation	<u>-</u>	<u>-</u>	<u>134,990</u>	<u>10</u>
	Profit	<u>605,804</u>	<u>41</u>	<u>639,715</u>	<u>47</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(66,729)	(5)	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
8360	Items that may be reclassified subsequently to profit or loss (note 6(aa))				
8361	Exchange differences on translation	(12,156)	(1)	(10,870)	(1)
8362	Unrealized gains (losses) on available-for-sale financial assets	-	-	(52,383)	(4)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(2,919)	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(15,075)</u>	<u>(1)</u>	<u>(63,253)</u>	<u>(5)</u>
8300	Other comprehensive income, net	<u>(81,804)</u>	<u>(6)</u>	<u>(63,253)</u>	<u>(5)</u>
	Total comprehensive income	<u>\$ 524,000</u>	<u>35</u>	<u>576,462</u>	<u>42</u>
	Profit, attributable to:				
8610	Owners of parent	\$ 595,540	40	634,379	47
8620	Non-controlling interests	<u>10,264</u>	<u>1</u>	<u>5,336</u>	<u>-</u>
		<u>\$ 605,804</u>	<u>41</u>	<u>639,715</u>	<u>47</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 514,395	35	571,126	42
8720	Non-controlling interests	<u>9,605</u>	<u>-</u>	<u>5,336</u>	<u>-</u>
		<u>\$ 524,000</u>	<u>35</u>	<u>576,462</u>	<u>42</u>
9750	Basic earnings per share (NT dollars) (note 6(v))				
	From continuing operation	\$	14.04		11.81
	From discontinued operation	-	-	-	3.19
	Total basic earnings per share	<u>\$</u>	<u>14.04</u>	<u></u>	<u>15.00</u>
9850	Diluted earnings per share (NT dollars) (note 6(v))				
	From continuing operation	\$	13.93		11.71
	From discontinued operation	-	-	-	3.16
	Total diluted earnings per share	<u>\$</u>	<u>13.93</u>	<u></u>	<u>14.87</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Adden Technology Co., Ltd. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2018 and 2017
(Expressed in Thousands of New Taiwan Dollars)

Share capital	Equity attributable to owners of parent									
	Retained earnings			Total other equity interest						
				Unrealized gains (losses) on financial assets	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Unearned compensation	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings					
\$										
425,830	758,681	225,524	12,907	552,802	791,233	(38,567)	(31,642)	1,865,775	5,040	1,870,815
-	-	-	-	634,379	634,379	-	-	634,379	5,336	639,715
-	-	-	-	-	-	(10,870)	-	(62,253)	-	(63,253)
-	-	-	-	634,379	634,379	(10,870)	-	571,126	5,336	576,462
-	-	55,234	-	(55,234)	-	-	-	-	-	-
-	-	-	45,422	(45,422)	-	-	-	-	-	-
-	-	-	-	(447,122)	(447,122)	-	-	(447,122)	-	(447,122)
-	(191,623)	-	-	-	-	-	-	(191,623)	-	(191,623)
(25)	(473)	-	-	-	-	-	498	-	-	-
-	-	-	-	-	-	-	35,657	35,657	-	35,657
425,805	566,585	280,758	58,329	639,403	978,490	(69,437)	(15,487)	1,833,813	(167)	1,844,022
-	-	-	-	-	-	(52,143)	-	2,448	-	2,448
425,805	566,585	280,758	58,329	639,403	978,490	(69,437)	(15,487)	1,836,261	10,209	1,846,470
-	-	-	-	595,540	595,540	-	-	595,540	10,264	605,804
-	-	-	-	-	-	(11,497)	-	(81,145)	(659)	(81,804)
-	-	-	-	595,540	595,540	(69,648)	-	514,395	9,605	524,000
-	-	63,438	-	(63,438)	-	-	-	-	-	-
-	-	-	63,253	(63,253)	-	-	-	-	-	-
-	-	-	-	(510,966)	(510,966)	-	-	(510,966)	-	(510,966)
-	641	-	-	-	-	-	-	641	-	641
-	(149,032)	-	-	-	-	-	-	(149,032)	-	(149,032)
-	-	-	-	(5,740)	(5,740)	-	-	(5,740)	5,740	-
-	3,905	-	-	-	-	-	12,910	16,815	2,493	19,308
-	-	-	-	-	-	-	-	-	(7,332)	(7,332)
(15)	(284)	-	-	-	-	-	299	-	-	-
\$ 425,790	421,815	344,196	121,582	591,546	1,057,324	(60,934)	(119,343)	1,705,374	20,715	1,723,089

Balance on January 1, 2017
Profit for the year ended December 31, 2017
Other comprehensive income for the year ended December 31, 2017
Comprehensive income for the year ended December 31, 2017
Appropriation and distribution of retained earnings:

Legal reserve
Special reserve
Cash dividends of ordinary share
Other changes in capital surplus:
Cash dividends from capital surplus
Retirement of restricted stock awards
Share-based payments transactions
Changes in non-controlling interests

Balance on December 31, 2017
Effects of retrospective application
Balance on January 1, 2018 after adjustment
Profit for the year ended December 31, 2018
Other comprehensive income for the year ended December 31, 2018
Comprehensive income for the year ended December 31, 2018
Appropriation and distribution of retained earnings:

Legal reserve
Special reserve
Cash dividends of ordinary share
Other changes in capital surplus:
Changes in equity of associates and joint ventures accounted for using equity method

Cash dividends from capital surplus
Changes in ownership interests in subsidiaries
Share-based payments
Changes in non-controlling interests
Retirement of restricted stock awards
Balance on December 31, 2018

See accompanying notes to consolidated financial statements.

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

Adden Technology Co., Ltd. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows from (used in) operating activities:		
Profit from continuing operations before tax	\$ 753,653	613,245
Profit from discontinued operation before tax	-	163,488
Profit before tax	753,653	776,733
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	28,523	27,022
Amortization expense	9,458	9,136
Expected credit loss / Provision for bad debt expense	11,191	397
Interest income	(6,117)	(6,031)
Dividend income	(400)	-
Share-based payments transactions	19,308	35,657
Share of profit of associates and joint ventures accounted for using equity method	(118)	-
Loss on disposal of property, plan and equipment	41	1
Property, plan and equipment transferred to expenses	5	-
Gain on disposal of investments	(240)	-
Gain on disposal of investments accounted for using equity method	(1,681)	-
Unrealized foreign exchange loss (gain)	(55)	2,584
Gain on sale of discontinued operation	-	(172,425)
Gain from price recovery of inventory	(5,700)	-
Total adjustments to reconcile profit (loss)	54,215	(103,659)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	(16,008)	(55,446)
Accounts receivable due from related parties	(20,781)	-
Inventories	10,479	32,912
Other current assets	5,369	21,622
Other financial assets	9,659	(56,665)
Total changes in operating assets	(11,282)	(57,577)
Changes in operating liabilities:		
Notes and accounts payable	(2,137)	(4,005)
Accounts payable to related parties	17,787	-
Other payable	(51,776)	102,839
Other payable to related parties	6,962	-
Advance sales receipts	15,603	19,896
Other current liabilities	(644)	2,757
Receipts under custody	27,976	43,540
Total changes in operating liabilities	13,771	165,027
Total changes in operating assets and liabilities	2,489	107,450
Total adjustments	56,704	3,791

See accompanying notes to consolidated financial statements.

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

Addcn Technology Co., Ltd. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash inflow generated from operations	810,357	780,524
Interest received	6,152	6,016
Income taxes paid	(140,564)	(123,771)
Net cash flows from (used in) operating activities	675,945	662,769
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(67,073)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	10,288	-
Acquisition of financial assets at fair value through profit or loss	(22,340)	-
Acquisition of available-for-sale financial assets	-	(250,803)
Proceeds from disposal of available-for-sale financial assets	-	50,000
Acquisition of financial assets measured at cost	-	(27,628)
Proceeds from disposal of subsidiaries	(25,955)	-
Proceeds from disposal of discontinued operation	-	164,350
Acquisition of property, plant and equipment	(17,683)	(7,370)
Decrease in refundable deposits	177	709
Acquisition of intangible assets	(1,942)	(2,159)
Acquisition of investment properties	(66,463)	-
Decrease (increase) in other financial assets	226,239	(34,440)
Dividends received	400	-
Net cash flows from (used in) investing activities	35,648	(107,341)
Cash flows from (used in) financing activities:		
Increase in guarantee deposits received	4,200	2,466
Cash dividends paid	(659,998)	(638,745)
Contribution by non-controlling interests	(2,742)	(167)
Net cash flows from (used in) financing activities	(658,540)	(636,446)
Effect of exchange rate changes on cash and cash equivalents	(1,251)	(4,957)
Net increase (decrease) in cash and cash equivalents	51,802	(85,975)
Cash and cash equivalents at beginning of period	628,363	714,338
Cash and cash equivalents at end of period	\$ 680,165	628,363

See accompanying notes to consolidated financial statements.

Attachment 4. Profit Distribution Table of 2018

ADDcn Technology Co., Ltd
2018 Surplus Earning Distribution Table

Unit: In Thousands of New Taiwan Dollars

Item	Amount
beginning undistributed surplus earnings	\$1,748,118
difference between consideration and carrying amount of subsidiaries disposed	(\$ 5,740,702)
adjusted opening undistributed balance	(\$ 3,992,584)
+:2018 net profit after tax	\$595,540,028
-:10% of legal reserve	(\$59,154,744)
-: appropriated retained earnings	(\$78,695,981)
distributable earnings	\$453,696,719
assign items	
shareholder dividends – cash (NT\$ 10.6 per share)	(\$451,337,400)
undistributed surplus earnings in the end of the period	\$2,359,319

Chairman:

General Manager:

Chief Accountant:

Appendix 5 Comparison Table on the Amendments to Articles of

Incorporation:

Chapter	After Amendment	Before Amendment
Chapter 2 Shares	Article 5-2: <u>The persons who shall be entitled to receive shares bought back and to be assigned or transferred by the Company in accordance with the Company Act, include the employees of parents or subsidiaries of the Company meeting certain specific requirements.</u> <u>The persons who shall be entitled to receive share subscription warrant issued by the Company, include the employees of parents or subsidiaries of the Company meeting certain specific requirements.</u> <u>When the Company issues new shares, the persons who have the right of subscribing new shares issued by the Company, include the employees of parents or subsidiaries of the Company meeting certain specific requirements.</u> <u>The persons who shall be entitled to receive restricted stock for employees issued by the Company, include the employees of parents or subsidiaries of the Company meeting certain specific requirements.</u>	
Chapter 3 Shareholder's Meeting	Article 12-1: The resolution events of Shareholders' meeting shall be made as meeting minutes, and then signed or sealed by the chairman	Article 12-1: The resolution events of Shareholders' meeting shall be made as meeting minutes, and then signed or sealed by the chairman and

Chapter	After Amendment	Before Amendment
	and dispatched the meeting minutes to each Stockholder within 20 days after the meeting. The dispatch of the previous meeting minutes may be performed through announcement. The minutes of Shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The meeting minutes, sign-in book for attending Shareholders' meeting and the power of attorney acting on behalf of other Director's attendance shall be kept in the Company according to Article 183, the Company Act.	dispatched the meeting minutes to each Stockholder within 20 days after the meeting. The dispatch of the previous meeting minutes may be performed through announcement. The minutes of Shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The meeting minutes, sign-in book for attending Shareholders' meeting and the power of attorney acting on behalf of other Director's attendance shall be kept in the Company according to Article 183, the Company Act.
Chapter 6 Accounting	Article 20: Where the Company has earnings in a given year, the Company shall allocate 1% or above of earnings as staff remuneration, 3% or below as Directors and Supervisors remuneration. However, if there is still accumulated loss of the Company, the Company shall reserve the compensation amount in advance. The persons who are entitled to receive cash or shares as staff remuneration stipulated in the preceding paragraph include the employees of <u>parents</u> or subsidiaries of the Company meeting certain specific requirements.	Article 20: Where the Company has earnings in a given year, the Company shall allocate 1% or above of earnings as staff remuneration, 3% or below as Directors and Supervisors remuneration. However, if there is still accumulated loss of the Company, the Company shall reserve the compensation amount in advance. The persons who are entitled to receive cash or shares as staff remuneration stipulated in the preceding paragraph include the employees of subsidiaries of the Company meeting certain specific requirements.

Chapter	After Amendment	Before Amendment
Chapter 7 Supplementary Articles	Article 23: The Article is stipulated on January 17, 2007. The 1st amendment was on March 7, 2007. The 2nd amendment was on June 27, 2008. The 3rd amendment was on June 18, 2009. The 4th amendment was on September 10th, 2009. The 5th amendment was on November 26, 2009. The 6th amendment was on May 7, 2010. The 7th amendment was on June 17, 2010. The 8th amendment was on January 5, 2012. The 9th amendment was on May 17, 2012. The 10th amendment was on July 20, 2012. The 11th amendment was on October 19, 2012. The 12th amendment was on June 6, 2013. The 13th amendment was on September 11, 2014. The 14th amendment was on June 16, 2016. The 15th amendment was on September 8, 2016. <u>The 16th amendment was on June 20, 2019.</u>	Article 23 The Article is stipulated on January 17, 2007. The 1st amendment was on March 7, 2007. The 2nd amendment was on June 27, 2008. The 3rd amendment was on June 18, 2009. The 4th amendment was on September 10th, 2009. The 5th amendment was on November 26, 2009. The 6th amendment was on May 7, 2010. The 7th amendment was on June 17, 2010. The 8th amendment was on January 5, 2012. The 9th amendment was on May 17, 2012. The 10th amendment was on July 20, 2012. The 11th amendment was on October 19, 2012. The 12th amendment was on June 6, 2013. The 13th amendment was on September 11, 2014. The 14th amendment was on June 16, 2016. The 15th amendment was on September 8, 2016.

Attachments 6 Comparison Table on the amendment to the “Procedures of Acquiring or Disposing Assets of the company

Chapter	Clause After Amendment	Current Clause
1. Purpose and Source of Law	These Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the Financial Supervisory Commission (hereinafter “FSC”) for the purpose of protecting investment and implementing information disclosure.	These Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the Financial Supervisory Commission for the purpose of protecting investment and implementing information disclosure.
2. Definitions	1.The term "assets" as used in these Procedures includes the following: (1) (omitted) (2) Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment. (3) (omitted) (4) (omitted) <u>(5) Right-of-use assets.</u> <u>(6) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</u> <u>(7) Derivatives.</u> <u>(8) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</u> <u>(9) Other major assets.</u>	1.The term "assets" as used in these Procedures includes the following: (1) (omitted) (2) Real property (including land, houses and buildings, investment property, right to use land, and construction enterprise inventory) and equipment. (3) (omitted) (4) (omitted) (5) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). (6) Derivatives. (7) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law. (8) Other major assets.
2. Definitions	2. The term "Derivatives" as used in these Procedure refers to Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from <u>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</u>; or hybrid contracts combining the above <u>contracts; or hybrid contracts or structured</u>	2. The term "Derivatives" as used in these Procedure refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index, or other interests; and hybrid contracts combining by the above products. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service

Chapter	Clause After Amendment	Current Clause
	<u>products containing embedded derivatives</u> . 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.	contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Definitions	3. The term "Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law" as used in these Procedure refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156 <u>3</u> of the Company Act.	3. The term "Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law" as used in these Procedure refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.
2. Definitions	7. The term "Mainland China area investment" as used in these Procedure refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.	7. The term "Mainland China area investment" as used in these Procedure refers to investments in the mainland China area approved by Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
2. Definitions		8. "Within the preceding year" as used in these Procedure refers to the year preceding the date of occurrence of the current transaction. Items duly announced need not be counted toward the transaction amount.
3. Appraisal and Operating Procedures	1. The appraisal procedure in acquiring of assets: with respect to the real property, <u>equipment, or right-of-use assets thereof</u> , each unit shall draw up a plan of capital expenditure and conduct feasible evaluation process first, then submit to the Management Division to designate the budget, and then implement and control according to the	1. The appraisal procedure in acquiring of assets: with respect to the real property and equipment, each unit shall draw up a plan of capital expenditure and conduct feasible evaluation process first, then submit to the Management Division to designate the budget, and then implement and control according to the plan; with

Chapter	Clause After Amendment	Current Clause
	plan; with respect to the investing of securities, it shall set up an investment evaluation team by the responsible units and conduct feasible evaluation process before implement.	respect to the investing of securities, it shall set up an investment evaluation team by the responsible units and conduct feasible evaluation process before implement.
3. Appraisal and Operating Procedures	2. The appraisal procedure in disposing of assets: with respect to the real property, equipment, <u>or right-of-use assets thereof</u> , each unit shall propose by a project with stating its reason and means, and then approved by the Company before implement; with respect to the investing of securities, it shall set up an investment evaluation team by the responsible units and conduct feasible evaluation process before implement.	2. The appraisal procedure in disposing of assets: with respect to the real property and equipment, each unit shall propose by a project with stating its reason and means, and then approved by the Company before implement; with respect to the investing of securities, it shall set up an investment evaluation team by the responsible units and conduct feasible evaluation process before implement.
3. Appraisal and Operating Procedures	5. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter "ARDF"). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.	5. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter "ARDF"). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission .
3. Appraisal and Operating Procedures	6. Where the Company acquires or disposes of intangible assets <u>or right-of-use assets thereof</u> or memberships and the transaction amount reaches	6. Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of

Chapter	Clause After Amendment	Current Clause
	20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a <u>domestic</u> 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 ARDF.	paid-in capital or NT\$300 million or more, except in transactions with a 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 ARDF.
3. Appraisal and Operating Procedures	8. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the <u>appraisal</u> report or CPA opinion.	8. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the evaluation report or the attesting CPA opinion.
4. Approval Process of the Terms and Conditions of the Transaction	1. Except <u>where through court auction procedures</u> , securities trading on centralized securities exchange market or OTC markets, the Company acquires or disposes of assets, shall be approved by the Board of Directors in advance, if it reaches the threshold requiring public announcement and regulatory filing under Article 7 of these Procedures; shall be approved by the Board of Shareholders in advance, if the conditions for the provisions of Article 185 of Company Act are met.	1. Except where obtained the evidentiary documentation issued may be substituted for the evaluation report or the certified CPA opinion , securities trading on centralized securities exchange market or OTC markets, the Company acquires or disposes of assets, shall be approved by the Board of Directors in advance, if it reaches the threshold requiring public announcement and regulatory filing under Article 7 of these Procedures; shall be approved by the Board of Shareholders in advance, if the conditions for the provisions of Article 185 of Company Act are met.
4. Approval Process of the Terms and Conditions of the Transaction	3. The means of price determination and supporting reference materials of the preceding paragraph, shall be taken in accordance with the following: (1) (omitted) (2) (omitted) (3) In acquiring or disposing of real property, <u>equipment or right-of-use assets thereof</u> , shall be referred to the publicly announced current value, the assessed current value, and the actual transaction price of neighboring real property before the approval, if it reaches the threshold	3. The means of price determination and supporting reference materials of the preceding paragraph, shall be taken in accordance with the following: (1) (omitted) (2) (omitted) (3) In acquiring or disposing of real property and equipment, shall be referred to the publicly announced current value, the assessed current value, and the actual transaction price of neighboring real property before the approval, if it reaches the threshold requiring public

Chapter	Clause After Amendment	Current Clause
	requiring public announcement and regulatory filing under these Procedures, an additional <u>appraisal</u> from a professional <u>appraiser</u> shall be obtained.	announcement and regulatory filing under these Procedures, an additional evaluation from a professional appraiser shall be obtained.
5. The Responsible Units:	The responsible units of the Company: regarding the investing of securities is Finance Division, and regarding real property, <u>equipment or right-of-use assets thereof</u> , are Assets Management Division and the relevant responsible units.	The responsible units of the Company: regarding the investing of securities is Finance Division, and regarding real property and equipment are Assets Management Division and the relevant responsible units.
6. Exclusion Clauses about Related Party	1. <u>The qualifications of</u> professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions <u>shall meet the provisions of Article 5 of: "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"</u> .	1. Any professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters whom provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions, shall not be a Related Party of the Company, and any professional appraisers and their officers shall have no conviction or sentence.
6. Exclusion Clauses about Related Party	2. <u>If</u> 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 <u>or de facto related parties of each other</u> .	2. 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.
7. Public Disclosure of Information	1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (1) Acquisition or disposal of real property <u>or right-of-use assets thereof</u> from or to a related party, or acquisition or disposal of assets other than real property <u>or right-of-use assets thereof</u> from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total	1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: (1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where 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; provided, this shall not apply to

Chapter	Clause After Amendment	Current Clause
	assets, or NT\$300 million or more; provided, this shall not apply to trading of <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (2) (omitted) (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. (4) Where <u>equipment or right-of-use assets thereof</u> for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more. (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, <u>and furthermore the transaction counterparty is not a related party.</u> and the amount the Company expects to invest in the transaction reaches NT\$500 million. (6) Where an asset transaction other than any of those referred to in the preceding (1)~(5) subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following A. Trading of <u>domestic</u> government bonds. B. (omitted)	trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (2) (omitted) (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. (4) Where types of assets for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more. (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction reaches NT\$500 million. (6) Where an asset transaction other than any of those referred to in the preceding (1)~(5) subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following A. Trading of <u>domestic</u> government bonds. B. (omitted)
7. Public Disclosure of Information	2. The amount of transactions above shall be calculated as follows: (1) (omitted) (2) (omitted)	2. The amount of transactions above shall be calculated as follows: (1) (omitted) (2) (omitted)

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	(3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property <u>or right-of-use assets thereof</u> within the same development project within the preceding year. (No amendment below, omitted)	(3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property within the same development project within the preceding year. (No amendment below, omitted)
7. Public Disclosure of Information	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 FSC by the 10th day of each month.	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 its subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
8. Related Party Transactions	2. When the Company intends to acquire or dispose of real property <u>or right-of-use assets thereof</u> from or to a related party, or when it intends to acquire or dispose of assets other than real property <u>or right-of-use assets thereof</u> 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 <u>domestic</u> government bonds or bonds under repurchase and resale agreements, or subscription or <u>redemption</u> of money market funds <u>issued by domestic securities investment trust enterprises</u>, 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: (1) (omitted) (2) (omitted) (3) With respect to the acquisition of real property <u>or right-of-use assets thereof</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction	2. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property 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 government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, 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: (1) (omitted) (2) (omitted) (3) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with this Article, paragraph 3 and paragraph 4 herein. (4) (omitted) (5) (omitted)

Chapter	Clause After Amendment	Current Clause
	terms in accordance with this Article, paragraph 3 and paragraph 4 herein. (4) (omitted) (5) (omitted) (6) (omitted) (7) (omitted) The calculation of the transaction amounts shall be made in accordance with Article 7, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount. With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, <u>or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital</u>, the Company's board of directors may 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: <u>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</u> <u>(2) Acquisition or disposal of real property right-of-use assets held for business use.</u> When a matter is submitted for discussion by the board of directors pursuant to <u>this</u> paragraph, <u>subparagraph 1 herein</u>, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.	(6) (omitted) (7) (omitted) The calculation of the transaction amounts shall be made in accordance with Article 7, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount. When acquisition or disposal of equipment to be conducted between the Company and its subsidiaries, the Company's board of directors may 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. Where the position of independent director has been created in accordance with the provisions of the Securities and Exchange Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 2 herein, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
8. Related Party Transactions	3. The Company that acquires real property <u>or right-of-use assets thereof</u> from a related party	3. The Company that acquires real property from a related party shall appraise the reasonableness

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	shall appraise the reasonableness of the transaction costs by the following means(Where land and structures thereupon are combined as a single property purchased <u>or leased</u> 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 the following): (No amendment below, omitted)	of the transaction costs by the following means(Where land and structures thereupon are combined as a single property purchased 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 the following): (No amendment below, omitted)
8. Related Party Transactions	4. The Company that acquires real property <u>or right-of-use assets thereof</u> from a related party and appraises the cost of the real property <u>or right-of-use assets thereof</u> in accordance with the preceding paragraph shall also engage a CPA to check the appraisal and render a specific opinion.	4. The Company that acquires real property from a related party and appraises the cost of the real property in accordance with the preceding paragraph shall also engage a CPA to check the appraisal and render a specific opinion.
8. Related Party Transactions	5. Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the paragraph 2, and paragraph 3 through paragraph 4 herein do not apply: (1)The related party acquired the real property <u>or right-of-use assets thereof</u> through inheritance or as a gift. (2)More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property <u>or right-of-use assets thereof</u> to the signing date for the current transaction. (3) (omitted) (4) <u>The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</u>	5. Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the paragraph 2, and paragraph 3 through paragraph 4 herein do not apply: (1)The related party acquired the real property through inheritance or as a gift. (2)More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction. (3) (omitted)
8. Related Party Transactions	6. Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party and the results of the Company's appraisal conducted in accordance with this Article, paragraph 3 are uniformly lower than the transaction price, the	6. Where the Company acquires real property from a related party and the results of the Company's appraisal conducted in accordance with this Article, paragraph 3 are uniformly lower than the transaction price, the matter shall be

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	matter shall be handled in compliance with the paragraph 7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply: (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: A. Where undeveloped land is appraised in accordance with the means in the <u>paragraph 3</u>, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. B. <u>Completed transactions</u> by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale <u>or leasing</u> practices. (2) Where the Company acquiring real property, <u>or obtaining real property right-of-use assets through leasing</u>, from a related party provides evidence that the terms of the transaction are similar to the terms of <u>completed transactions</u> involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.	handled in compliance with the paragraph 7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply: (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: A. Where undeveloped land is appraised in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. B. Completed deals by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale practices. C. Completed leases by unrelated parties within the preceding year involving other floors of the same property, where transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with standard property market leasing practices. (2) Where the Company acquiring real property from a related party provides evidence that the

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	(3) <u>Completed transactions</u> involving neighboring or closely valued parcels of land in the subparagraph 1 and 2 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 <u>transactions completed</u> 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 <u>the right-of-use assets thereof</u>.	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. - (3) Completed deals involving neighboring or closely valued parcels of land in the subparagraph 1 and 2 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 deals 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.
8. Related Party Transactions	7. Where the Company acquires real property <u>or right-of-use assets thereof</u> from a related party and the results of appraisals conducted in accordance with the paragraph 3 through paragraph 6, are uniformly lower than the transaction price, the following steps shall be taken: (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. The Company that has set aside a special reserve under above may not utilize the special reserve until it has recognized a loss on decline in market	7. Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with the paragraph 3 through paragraph 6, are uniformly lower than the transaction price, the following steps shall be taken: (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. The Company that has set aside a special reserve under above may not utilize the special reserve until it has recognized a loss on decline in market

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	value of the assets it purchased <u>or leased</u> at a premium, or they have been disposed of, <u>or the leasing contract has been terminated</u>, 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 FSC has given its consent. (No amendment below, omitted)	value of the assets it purchased at a premium, or they have been disposed of, 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 FSC has given its consent. (No amendment below, omitted)
9. The Scope and Amount of Investment	Except the assets acquired for business use, the limits of the real property and <u>right-of-use assets thereof</u> or securities acquired by the Company for non-business use are as follow: 1.The Company (1)The total amount of investment in non-business use real property <u>and right-of-use assets thereof</u> may not exceed thirty percent of the Company's net value. (2) (omitted) (3) (omitted) 2. Where the Subsidiary is a professional investment company (1)The total amount of investment in non-business use real property <u>and right-of-use assets thereof</u> may not exceed fifty percent of the Company's net value. (2) (omitted) (3) (omitted) 3. Where the Subsidiary is other than a professional investment company (1)The total amount of investment in non-business use real property <u>and right-of-use assets thereof</u> may not exceed sixty percent of the Company's net value. (2) (omitted) (3) (omitted)	Except the assets acquired for business use, the limits of the real property and securities acquired by the Company for non-business use are as follow: 1.The Company (1)The total amount of investment in non-business use real property may not exceed thirty percent of the Company's net value. (2) (omitted) (3) (omitted) 2. Where the Subsidiary is a professional investment company (1)The total amount of investment in non-business use real property may not exceed fifty percent of the Company's net value. (2) (omitted) (3) (omitted) 3. Where the Subsidiary is other than a professional investment company (1)The total amount of investment in non-business use real property may not exceed sixty percent of the Company's net value. (2) (omitted) (3) (omitted)
10. Engaging in Derivatives Trading	1.Trading principles and strategies (1)Types of Derivatives: The types of derivatives include forward contracts, options contracts,	1.Trading principles and strategies (1)Types of Derivatives: The types of derivatives include forward contracts, options contracts,

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	futures contracts, leverage contracts, or swap contracts, whose value is derived from a <u>specified interest rate, financial instrument price, commodity price</u>, foreign exchange rate, index of <u>prices or rates, credit rating or credit index</u>, or other <u>variable</u>; 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. (2) (omitted) (3) Segregation of Duties A. Financial <u>Unit</u>: (No amendment in the middle, omitted) B. Accounting <u>Unit</u>: (No amendment in the middle, omitted) (5) Transaction Amount: A. (omitted) B. Particular Purpose Transaction: The Financial <u>Unit</u> may draw up a strategy based on the forecast of changing conditions of the market, but shall not conduct until it approved by the general manager and the chairman of the board of directors. (No amendment below, omitted)	futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index, or other interests; and hybrid contracts combining by the above products. 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. (2) (omitted) (3) Segregation of Duties A. Financial Department: (No amendment in the middle, omitted) B. Accounting Department: (No amendment in the middle, omitted) (5) Transaction Amount: A. (omitted) B. Particular Purpose Transaction: The Financial Department may draw up a strategy based on the forecast of changing conditions of the market, but shall not conduct until it approved by the general manager and the chairman of the board of directors. (No amendment below, omitted)
10. Engaging in Derivatives Trading	2. Risk Management Measures: (1) Risk Management: (No amendment in the middle, omitted) E. Legal Considerations: Any document signed with the bank shall be reviewed by the Legal <u>Department</u> before it signed formally to avoid legal risks. (No amendment in the middle, omitted) (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior	2. Risk Management Measures: (1) Risk Management: (No amendment in the middle, omitted) E. Legal Considerations: Any document signed with the bank shall be reviewed by the Legal before it signed formally to avoid legal risks. (No amendment in the middle, omitted) (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of

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	management personnel authorized by the board of directors. (No amendment below, omitted)	directors. (No amendment below, omitted)
10. Engaging in Derivatives Trading	4. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles: (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures and the <u>operating</u> procedures for engaging in derivatives trading formulated by the Company. (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; an independent director shall be present at the meeting and express an opinion.	4. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles: (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures and the handling procedures for engaging in derivatives trading formulated by the Company. (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.
10. Engaging in Derivatives Trading	5. The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle <u>derivatives trading in accordance with its Relevant Procedures</u> for Engaging in Derivatives Trading.	5. The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to engaging in Derivatives Trading.
10. Engaging in Derivatives Trading	7. Internal audit system: The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the <u>operating</u> procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing. <u>8. The matters for which notice shall be given to</u>	7. Internal audit system: The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the handling procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

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	<u>the supervisors under the preceding paragraph, written notice shall also be given to the independent directors.</u>	
11. Merger, Demerger, Acquisition, or Transfer of Shares of Enterprises	4. The Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in <u>item 1 through 2</u> of the preceding paragraph 3, subparagraph <u>3</u> to the FSC for recordation.	4. The Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraph 1, subparagraph 2 of the preceding paragraph 3 to the FSC for recordation.
11. Merger, Demerger, Acquisition, or Transfer of Shares of Enterprises	10. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of this Article, paragraph 3 <u>through</u> paragraph 6, and paragraph 9.	10. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of this Article, paragraph 3, paragraph 6, and paragraph 9.
None	12. Appraisal Report of Real Property, Equipment <u>or right-of-use assets thereof</u> acquired or disposed: In acquiring or disposing of real property, equipment, <u>or right-of-use assets thereof</u> 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 <u>domestic</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment <u>or right-of-use assets thereof</u> 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: 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; <u>the same procedure</u> shall also be	12. Appraisal Report of Real Property and Equipment acquired or disposed: In acquiring or disposing of real property, equipment 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 government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment held for business use, 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: 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 above procedure shall also be inferred by analogy whenever there is any oncoming change to the terms and conditions of the transaction.

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	followed <u>whenever there is any subsequent</u> change to the terms and conditions of the transaction. (No amendment below, omitted)	(No amendment below, omitted)
13. Other Matters	1. Information required to be publicly announced and reported on acquisitions and disposals of assets by the <u>subsidiary</u> of the Company that is not a public company <u>in Taiwan</u> shall be reported by the Company. The paid-in capital or total assets of the Company shall be the standard applicable to the subsidiary referred to in the preceding paragraph in determining whether, relative to “paid-in capital or total assets”, it reaches a threshold requiring public announcement and regulatory filing.	1. Information required to be publicly announced and reported on acquisitions and disposals of assets by the Company's subsidiary that is not a public company in Taiwan shall be reported by the Company. The paid-in capital or total assets of the Company shall be the standard applicable to the subsidiary referred to in the preceding paragraph in determining whether, relative to “reaches 20 percent or more of paid-in capital or 10 percent or more of total assets”, it reaches a threshold requiring public announcement and regulatory filing.
14. Implementation and Amendment	After these Procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to the shareholders' meeting for approval; the same applies when these Procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor. When these Procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.	Implementing After these Procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to the shareholders' meeting for approval; the same applies when these Procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor. Where the position of independent director has been created in accordance with the provisions of the Securities and Exchange Act, when these Procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Attachments 7: Comparison Table on the amendment to the "

Management of Loans to Others"

Article	Version After Revision	Current Version
2. Loaning Fund and Object and Evaluation Criteria	In accordance with the Article 15 of the Company Law, the Company shall not Loaning Funds to any of its shareholders or any other person except under the following circumstances: (The following contents are not amended, and therefore are omitted.)	In accordance with the Article 15 of the Company Law, the Company shall not loan its funds to any of its shareholders or any other person except under the following circumstances: (The following contents are not amended, and therefore are omitted.)
3. The Aggregate Amount of Loans and The Maximum Amount Permitted to a Single Borrower	1. The total amount of the Company's loan of funds shall not exceed 40% of the net value of the latest financial statements of the Company, of which : - Where an inter-company or inter-firm business transaction calls for a loan arrangement: the individual loans and amounts are not more than the total amount of business transaction amount between the two parties of the past 12 months ("Business transaction amount" refers to the amount of purchase or sale between the parties, whichever is higher) It shall not exceed 10% of the net worth of the Company. Where funds are lent to a company or business with business relationship, the accumulated amount of such loan shall not exceed 20% of the net worth of the Company. (omitted) 2.2 A company or business with a short-term financing need offered by the Company; which the Company holds, directly or indirectly, at least 50% of the voting shares, the short-term financing	1. The total amount of the Company's loan of funds shall not exceed 40% of the net value of the latest financial statements of the Company, of which : - Where an inter-company or inter-firm business transaction calls for a loan arrangement: the individual loans and amounts are not more than the total amount of business transaction amount between the two parties of the past 12 months ("Business transaction amount" refers to the amount of purchase or sale between the parties, whichever is higher) It shall not exceed 10% of the net worth of the Company. Where funds are lent to a company or business with business relationship, the accumulated amount of such loan shall not exceed 20% of the net worth of the Company. (omitted) 2. Among foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, loans may be granted due to financing need and the amount is not subject to

	may be granted only to those who have business needs. <u>3.</u> The short term as referred to in this operating procedure is one year. However, when the company's operating cycle is longer than one year, the operating cycle shall prevail. <u>4.</u> The amount of financing as referred to in this operating procedure is the accumulated balance of the Company's short-term financing. <u>5.</u> "Net worth" as referred to in the Procedures shall be equity attributable to owners of the parent company in the balance sheet, under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.	20% of the lender's net worth, and shall not be applied in accordance with Article 4. However, the amount limit and loan term for the funds shall be determined in accordance with "Guidelines for Fund Lending and Providing Endorsements and Guarantees by Public Companies" announced by the securities regulatory authority. The short term as referred to in this operating procedure is one year. However, those whose operating cycle is longer than one year shall the company's operating cycle prevail. The amount of financing as referred to in this operating procedure is the accumulated balance of the Company's short-term financing. "Net worth" as referred to in the Procedures shall be equity attributable to owners of the parent company in the balance sheet, under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
5. Procedures for Scrutinizing 5.1 Application Procedures	• The borrower shall provide basic information and financial status, and fill in the application form, which shall consist of information about funds, the period of the loan and the amount, and send it to the Company's finance and <u>accounting</u> department. Careful assessments of the necessity and rationality are required of the finance and <u>accounting</u> department. • Where funds are lent to a company or business with business relationships with the Company, the case officer from the Company's finance and <u>accounting</u> department	• The borrower shall provide basic information and financial status, and fill in the application form, which shall consist of information about funds, the period of the loan and the amount, and send it to the Company's financial <u>affairs</u> department. Careful assessments of the necessity and rationality are required of the financial <u>affairs</u> department. • Where funds are lent to a company or business with business relationships with the Company, the case officer from the Company's financial <u>affairs</u> department shall

	shall evaluate the loan and ensure that the amount is equivalent to the amount of business transactions; where short-term financing is necessary, reasons and circumstances of obtaining loans and funds shall be listed, along with credit investigation. The relevant information and the proposed loan requirement shall be submitted to the head and the general manager of the finance and <u>accounting</u> department, and following that is to report to the board of directors. (The following contents are not amended, and therefore are omitted.)	evaluate the loan and ensure that the amount is equivalent to the amount of business transactions; where short-term financing is necessary, reasons and circumstances of obtaining loans and funds shall be listed, along with credit investigation. The relevant information and the proposed loan requirement shall be submitted to the head and the general manager of the financial affairs department, and following that is to report to the board of directors. (The following contents are not amended, and therefore are omitted.)
6. Subsequent Loan Measurement and procedures of handling creditors' rights over overdue loan 6.1 Registration and Custody	• (omitted) • After lending the loan, the case officer shall organize all the documents in order, such as contractor's receipt, promissory note, collateral certificate, insurance policy and any correspondence, and provide custody for the files with bags. After the bags are marked with item names and customer's name, they shall be submitted to the chief of finance and accounting department for inspection. Once all test passed, the bags are sealed. The two parties shall sign or stamp on a registry. • Internal auditors of the Company shall perform auditing and the Procedures and implementation of loans to others every quarter, and produce written auditing reports. If any serious violation is found, the supervisors and independent directors shall be notified with	• (omitted) • After lending the loan, the case officer shall organize all the documents in order, such as contractor's receipt, promissory note, collateral certificate, insurance policy and any correspondence, and provide custody for the files with bags. After the bags are marked with item names and customer's name, they shall be submitted to the chief of financial affairs department for inspection. Once all test passed, the bags are sealed. The two parties shall sign or stamp on a registry. • Internal auditors of the Company shall perform auditing and the Procedures and implementation of loans to others every quarter, and produce written auditing reports. If any serious violation is found, the supervisors and independent directors shall be notified with written notices.

	written notices. ● If <u>a borrower no longer satisfies the criteria set forth in the relevant regulations and/or the Procedures</u> or there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan will be made and provided to the supervisors and the <u>Independent Directors</u>.	● If there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan will be made and provided to the supervisors.
7. Control Procedures for Managing Loans to Others by the Subsidiaries	1. If the Company's subsidiaries intend to lend funds to others, they shall also set up the operating procedures in obedience to the operating procedures; however, the net worth is calculated based on that of the subsidiaries. 2. (omitted) 3.(omitted) 4. When fund lending occurs between the Company and the subsidiaries or among the subsidiaries, an approval from the Board of directors shall be obtained, and the chair of the board (COB) shall be authorized to handle the matter within the specific amount of fund lending to the same party approved by the Board of directors and the lending is authorized in disbursement or revolving within one year. 5. "Specific amount" as referred to above shall mean that the authorized amount of loans by the Company or its subsidiaries to an individual entity shall not exceed 10% of the Company's net value in their most recent financial statement, unless it meets the requirements of Paragraph 2, Article 3.	1. If the Company's subsidiaries intend to lend funds to others, they shall also set up the operating procedures in obedience to the operating procedures; however, the net worth is calculated based on that of the subsidiaries. 2. (omitted) 3.(omitted) 4. When fund lending occurs between the Company and the subsidiaries or among its subsidiaries, an approval from the Board of directors shall be obtained, and the chair of the board (COB) shall be authorized to handle the matter within the specific amount of fund lending to the same party approved by the Board of directors and the lending is authorized in disbursement or revolving within one year. 5. "Specific amount" as referred to above shall mean that the authorized amount of loans by the Company or its subsidiaries to an individual entity shall not exceed 10% of the Company's net value in their most recent financial statement, unless it meets the requirements of Paragraph 4, Article 3.
8. Announcement and Reporting	1.(omitted) 2. When the Company whose loans of funds reach one of the following levels	1.(omitted) 2. When the Company whose loans of funds reach one of the following levels

Procedures	shall announce and report such event within two days commencing immediately from the date of occurrence of the fact: (The following contents are not amended, and therefore are omitted.) 3. The Company is not a public company's <u>subsidiary</u> in Taiwan. Information required to be publicly announced and reported in accordance with the provisions of the preceding Paragraph shall be reported by the Company. The loan-to-net-worth ratio as referred above is calculated based on an aggregate of the Company's and its Subsidiaries' loan balance. 4.(omitted) 5. (omitted) 6. The term "date of occurrence of the fact" as used in Paragraph 2 of this Article refers to the date of contract signing, date of payment, date of board of directors resolution or other date that can confirm the subject and monetary amount of the loan, whichever date is earlier.	shall announce and report such event within two days commencing immediately from the date of occurrence of the fact: (The following contents are not amended, and therefore are omitted.) 3. The Company is not a public company's subsidiary in Taiwan. Information required to be publicly announced and reported in accordance with the provisions of the preceding Paragraph shall be reported by the Subsidiary. The loan-to-net-worth ratio as referred above is calculated based on an aggregate of the Company's and the Subsidiaries' loan balance. 4.(omitted) 5. (omitted) 6. The term "date of occurrence of the fact" as used in Paragraph 2 of this Article refers to the date of transaction signing, date of payment, date of board of directors resolution or other date that can confirm the subject and monetary amount of the transaction, whichever date is earlier.
10. Implementation and Amendment	The Procedures and any amendment thereof shall be effective upon approval on board of directors meeting and then by the supervisors and shareholders. If a director objects to or expresses reservations about any matter which has been recorded in the minutes or in writing, the objection shall be submitted to the supervisors and the shareholders' meeting for discussion. The same rules shall apply to any amendments. <u>Independent directors</u> play a vital role to the Company. When submitting the	The Procedures and any amendment thereof shall be effective upon approval on board of directors meeting and then by the supervisors and shareholders. If a director objects to or expresses reservations about any matter which has been recorded in the minutes or in writing, the objection shall be submitted to the supervisors and the shareholders' meeting for discussion. The same rules shall apply to any amendments. Independent directors play a vital role to the Company. When submitting the

	operating procedure to the board of directors for discussion, in accordance with the preceding paragraph, their opinions shall be considered. Any objections or <u>reservations</u> the <u>independent directors</u> have presented shall be <u>stated</u> in the board of directors <u>meeting minutes</u>. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.	operating procedure to the board of directors for discussion, in accordance with the preceding paragraph, their opinions shall be considered. Any agreements or objections the independent directors have presented shall be stated in <u>detail</u> in the board of directors meeting minutes. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.
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Attachments 8: Comparison Table on the amendment to the “Procedures for Endorsement and Guarantee”

Article	Version After Revision	Current Version
4. Amount of Endorsement and Guarantee	The Procedures set forth below are the guidelines for the Company to provide endorsement and/or guarantee to outside parties. 1. The <u>total amount</u> of the company's external endorsement and guarantee shall not exceed 40% of the net worth of the most recent <u>financial statements</u>. 2. The aggregate amount of endorsement and guarantee provided to any single enterprise shall not exceed 20% of the net worth of the most recent <u>financial statement</u>. However, if the <u>endorsement/guarantee</u> is provided to any individual due to business relationships, the amount shall not exceed the total amount of business transactions between the two parties of the past 12 months. The business amount refers to purchase amount or sales amount of the goods between the parties, whichever is higher.	The Procedures set forth below are the guidelines for the Company to provide endorsement and/or guarantee to outside parties. 1. The amount of the company's external endorsement and guarantee shall not exceed 40% of the net worth of the most recent shareholders' equity. 2. The aggregate amount of endorsement and guarantee provided to any single enterprise shall not exceed 20% of the net worth of the most recent shareholders' equity. However, if the loan is provided to any individual due to business relationships, the amount shall not exceed the total amount of business transactions between the two parties of the past 12 months. The business amount refers to purchase amount or sales amount of the goods between the parties, whichever is higher.
6. Procedures for Making Endorsement and Guarantee	1. Basic information and financial statements shall be provided when an enterprise needs a guarantee deposit, which is the amount set forth in the endorsement/ guarantee provided by the Company, and fill in the application form and submit it to the finance and accounting department. The department shall undergo careful evaluation and credit reporting. The evaluation items shall be included: the necessity and rationality of the endorsement/guarantee, consistency in	1. Basic information and financial statements shall be provided when an enterprise needs a guarantee deposit, which is the amount set forth in the endorsement/ guarantee provided by the Company, and fill in the application form and submit it to the finance affairs department. The department shall undergo careful evaluation and credit reporting. The evaluation items shall be included: the necessity and rationality of the endorsement/guarantee, consistency in

	amount of endorsement/guarantees and that of business transactions in the case, the impact on the Company's operational risks, financial condition and shareholders' equity, and the necessity to acquire collateral and appraisal of collateral. 2.(omitted) 3. A log book recorded endorsement/guarantee established by the Finance and Accounting Department shall detail information including target customers, the amount of the endorsement, board of directors or COB's approval dates, and the matters required to be carefully evaluated in accordance with the Procedure, the collateral items and the evaluation, and the liability and date for the cancellation of the endorsement. 4.(omitted) 5. The Finance and Accounting Department shall regularly evaluate, and list the contingent loss of the endorsement, properly disclose the endorsement/guarantee information in the financial statements, and provide relevant information of the CPA for the accountants to adopt the necessary checking procedures and issue an appropriate check report.	amount of endorsement/guarantees and that of business transactions in the case, the impact on the Company's operational risks, financial condition and shareholders' equity, and the necessity to acquire collateral and appraisal of collateral. 2.(omitted) 3. A log book recorded endorsement/guarantee established by the Financial Affairs Department shall detail information including target customers, the amount of the endorsement, board of directors or COB's approval dates, and the matters required to be carefully evaluated in accordance with the Procedure, the collateral items and the evaluation, and the liability and date for the cancellation of the endorsement. 4.(omitted) 5. The finance affairs department shall regularly evaluate, and list the contingent loss of the endorsement, properly disclose the endorsement/guarantee information in the financial statements, and provide relevant information of CPA for the accountants to adopt the necessary checking procedures and issue an appropriate check report.
8. Guidelines for Making Endorsement and Guarantee	1.(Omitted) 2. If the company fails to comply with Article 3 of the Procedures due to the change of circumstances, or the amount of the endorsement/guarantee exceeds the one specified in Article 4 of the Procedures due to the change of the basis for maximum, the audit department shall ensure that the Finance and Accounting	1.(Omitted) 2. If the company fails to comply with Article 3 of the Procedures due to the change of circumstances, or the amount of the endorsement/guarantee exceeds the one specified in Article 4 of the Procedures due to the change of the basis for maximum, the audit department shall ensure that the Finance Affairs

	Department eliminates the amount or excess of the guarantees/endorsement when the contract terminates or before it's due. The improvement plan shall be sent to the supervisors and <u>independent directors</u>, and be reported to the board of directors meeting. 3. The Company's amount of endorsement/guarantees exceeds the maximum but is under the conditions of the Guidelines due to business needs, shall be approved by the board of directors and a warranty by more than half of the directors for the Company's potential losses. The Guidelines shall be amended and reported to the shareholders' meeting for ratification; if disagreed, the excess shall be sold out before it's due.	Department eliminates the amount or excess of the guarantees/endorsement when the contract terminates or before it's due. The improvement plan shall be sent to the supervisors, and be reported to the board of directors meeting. 3. The Company's amount of endorsement/guarantees exceeds the maximum but is under the conditions of the Guidelines due to business needs, shall be approved by the board of directors and a warranty by more than half of the directors for the Company's potential losses. The Guidelines shall be amended and reported to the shareholders' meeting for ratification; if disagreed, the excess shall be sold out before it's due.
9. Announcement and Reporting Procedures	1. (Omitted) 2. The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such an event within two days commencing immediately from the date of occurrence of the fact: • (Omitted) • (Omitted) • The balance of endorsements/guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements / guarantees for, <u>carrying value</u> of the <u>equity method</u> to account for its investment in, and balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial statement. • (Omitted)	1. (Omitted) 2. The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such an event within two days commencing immediately from the date of occurrence of the fact: • (Omitted) • (Omitted) • The balance of endorsements/guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements / guarantees for, long-term investment in, and balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial statement. • (Omitted) 3. If there is any reporting and

	3. If there is any reporting and announcement required for the Company's <u>Subsidiary</u> which is not a Taiwan public company, the Company will follow the requirement on behalf of its Subsidiary. The ratio of the amount of endorsements/guarantees to the Company's net worth as referred above is calculated by an aggregate of balance of endorsements/guarantees by the Company and its Subsidiaries. 4. (Omitted) 5. The term "date of occurrence of the fact" as used in the as used in Paragraph 2 of this Article refers to the date of contract signing, date of payment, dates of resolutions of the Board of directors, or other date that can confirm the subject of <u>endorsements/guarantees</u> and monetary amount of the loan, whichever date is earlier.	announcement required for the Company's Subsidiary which is not a Taiwan public company, the Company will follow the requirement on behalf of its Subsidiary. The ratio of the amount of endorsements/guarantees to the Company's net worth as referred above is calculated by an aggregate of balance of endorsements/guarantees by the Company and its Subsidiaries. 4. (Omitted) 5. The term "date of occurrence of the fact" as used in the as used in Paragraph 2 of this Article refers to the date of transaction signing, date of payment, dates of resolutions of the Board of directors, or other date that can confirm the subject and monetary amount of the transaction, whichever date is earlier.
10. Control Procedures for Endorsements/Guarantees to Others by the Subsidiaries	1. If the Company's subsidiaries intend to endorse/guarantee to others, they shall also set up the operating procedures in obedience to the Procedures; however, the net worth is calculated based on that of the subsidiaries.	1. If the Company's subsidiaries intend to endorse/guarantee to others, they shall also set up the operating procedures in obedience to the Procedures; however, the net worth is calculated based on that of the subsidiaries.
12. Implementation and Amendment	The Procedures and any amendment thereof shall be effective upon approval on board of directors meeting and then by the supervisors and shareholders. If a director objects to or expresses reservations about any matter which has been recorded in the minutes or in writing, the objection shall be submitted to the supervisors and the shareholders' meeting for discussion. The same rules shall apply to any amendments.	The Procedures and any amendment thereof shall be effective upon approval on board of directors meeting and then by the supervisors and shareholders. If a director objects to or expresses reservations about any matter which has been recorded in the minutes or in writing, the objection shall be submitted to the supervisors and the shareholders' meeting for discussion. The same rules shall apply to any amendments.

	<u>Independent directors</u> play a vital role to the Company. When submitting the operating procedure to the board of directors for discussion, in accordance with the preceding paragraph, their opinions shall be considered. Any objections or <u>reservations</u> the <u>independent directors</u> have presented shall be <u>stated</u> in the board of directors <u>meeting minutes</u>. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.	Independent directors play a vital role to the Company. When submitting the operating procedure to the board of directors for discussion, in accordance with the preceding paragraph, their opinions shall be considered. Any agreements or objections the independent directors have presented shall be stated in detail in the board of directors meeting minutes. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.
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Appendix 1 Articles of Incorporation

Articles of Incorporation of ADDcn Technology Co., Ltd

Chapter 1 General Provisions

Article 1 : The Company is named by ADDcn Technology Co., Ltd., which is organized in accordance with the regulation of company limited by share in the Company Act.

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

1. CC01110 Computers and Computing Peripheral Equipments
 Manufacturing
2. CC01120 Data Storage Media Manufacturing and Duplicating
3. F109070 Wholesale of Stationery Articles, Musical Instruments and
 Educational Entertainment Articles
4. F113020 Wholesale of Household Appliance
5. F113050 Wholesale of Computing and Business Machinery Equipment
6. F113070 Wholesale of Telecom Instruments
7. F118010 Wholesale of Computer Software
8. F119010 Wholesale of Electronic Materials
9. F209060 Retail sale of Stationery Articles, Musical Instruments and
 Educational Entertainment Articles
10. F213010 Retail Sale of Household Appliance
11. F213030 Retail sale of Computing and Business Machinery Equipment
12. F213060 Retail Sale of Telecom Instruments
13. F218010 Retail Sale of Computer Software
14. F219010 Retail Sale of Electronic Materials
15. F399040 Retail Business Without Shop
16. F601010 Intellectual Property
17. G801010 Warehousing and Storage
18. I103060 Management Consulting Services
19. I301010 Software Design Services
20. I301020 Data Processing Services
21. I301030 Digital Information Supply Services

22. I401010 General Advertising Services
23. I401020 Leaflet Distribution
24. IZ02010 Typewriting Services
25. IZ04010 Translation Services
26. IZ12010 Manpower Services
27. IZ13010 Internet Identify Services
28. IZ15010 Marketing Research and Opinion Poll
29. J101010 Buildings Cleaning Service
30. J302010 Press Release
31. J303010 Magazine and Periodical Publication
32. J304010 Book Publishers
33. JB01010 Exhibition Services
34. H703090 Real Estate Commerce
35. H703100 Real Estate Rental and Leasing
36. JZ99050 Agency Services
37. ZZ99999 All business items that are not prohibited or restricted by law,
except those that are subject to special approval
38. C302010 Knit Fabric Mills
39. C303010 Non-woven Fabrics Mills
40. C306010 Outerwear Knitting Mills
41. C307010 Apparel, Clothing Accessories and Other Textile Product
Manufacturing
42. C402030 Leather and Fur Products Manufacturing
43. CK01010 Footwear Manufacturing
44. CM01010 Luggage and Bag Manufacturing
45. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel,
Clothing Accessories and Other Textile Products
46. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel,
Clothing Accessories and Other Textile Products
47. I701011 Occupation Services
48. I301040 the third party payment

Article 3 : The Company is headquartered in New Taipei City, and shall be free, upon the resolution of Board of Directors, to set up branch offices at various locations within and without the territory of the Republic of China, whenever the Company deems it necessary.

Article 4 : Public announcements of the Company shall be made in accordance with the Article

Chapter 2 Shares

Article 5 : The total capital of the Company is 1 billion NTD, divided into 100 million shares with per value of 10 NTD. The Board of Directors is authorized to separately issue unissued shares in consideration of business needs. A total of 3 million shares among the above total capital stock should be reserved for issuing employee stock options.

Article 5-1 : Where the Company intends to revoke public offering after publicly offer its shares, the proposal shall be resolved in the general meeting of shareholders, and shall apply to competent authority for the revocation after it is resolved.

For the resolution of Shareholders' meeting indicated above, it shall be made by the attendance with over two-third of the shareholders holding outstanding number of shares and agreement of over a half of attending shareholders with voting rights.

In the event of case insufficient number of attending shareholders, it shall be made by the attendance with over a half of the shareholders holding outstanding number of shares and agreement of over two-third of attending shareholders with voting rights.

Article 6 : Deleted.

Article 7 : The Company's shares shall be registered and numbered, bear the signatures or personal seals of at least three Directors, and be issued upon certification by the competent authority or its designated registration agency. After the shares are publicly issued, the Company may be exempted from printing any share certificate for the shares issued, but shall register the issued shares with a centralized securities depository enterprise.

Article 8 : The entries in the Shareholders' roster shall not be altered within 30 days prior to the regular Stockholder's meeting, or within 15 days prior to provisional Shareholders' meeting, or within 5 days prior to base date of determining distribution of stock dividend or other interests. After the Company publicly issued the shares, the entries in its Shareholders' roster shall not be altered within 60 days prior to the regular Stockholder's meeting, or within 30 days prior to provisional Shareholders' meeting, or within 5 days prior to base date of determining distribution of stock dividend or other interests.

- Article 8-1 : All stock relevant operations conducted by the shareholders of the Company shall follow the "Company Act" and "Guidelines for Stock Operations for Public Companies" unless specified otherwise by law and provisions stipulated by the competent authority of securities.

Chapter 3 Shareholders' Meeting

- Article 9 : Shareholders' meeting consists of two types, one is regular Shareholders' meeting, the other is provisional Shareholders' meeting. The regular shareholders' meeting will be convened by the Board of Directors and within six months after the end of each fiscal year. The provisional shareholders' meeting shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China if necessary.
- Article 9-1 : If a general meeting of Shareholders 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 absent, the Chairperson shall appoint one of the Directors to act as chair. Where the Chairperson does not make such a designation, the Directors shall elect from among themselves one person to serve as chair. If a general meeting of Shareholders is convened by a party that is not the Board of Directors but with a power by law, the meeting shall be chaired by the party who has the right to convene the meeting. Where the number of the party who has the right to convene the meeting is more than 1 person, the chair of the meeting shall be elected by and from the party.
- Article 10 : On the occasion of being unable to attend shareholders' meeting, a shareholder can issue a power of attorney listing range of authorization with his/her signature or seal to delegate a deputy for attendance. Authority for the regulations of delegating attendance of a shareholder, in addition to conducting according to the regulations of Article 177 to 177-2, the Company Act, it shall handle according to "Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" proclaimed by the competent authority.
- Article 11 : Each share of stock of the Company shall be entitled to one vote; however, this shall not apply if the voting right is restricted or, according to the regulations of the Article 179 of the Company Act, the share has no voting right.

After the Company publicly issued the shares, in case a Director or Supervisor of the

Company whose shares are issued to the public has created pledge on the Company's shares more than half of the Company's shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of shares shall not be exercised and the excessive portion of shares shall not be counted in the number of votes of shareholders present at the meeting.

The voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission, however, method for exercising the voting power in writing or by way of electronic transmission shall be described in the shareholders' meeting notice.

Article 12 : Except as otherwise provided in relevant laws, the resolution at the meeting of Shareholders shall be adopted by a majority of the shareholders present who represent two-third or more of the total number of its outstanding shares.

Article 12-1 : The resolution events of Shareholders' meeting shall be made as meeting minutes, and then signed or sealed by the chairman and dispatched the meeting minutes to each Stockholder within 20 days after the meeting.

The dispatch of the previous meeting minutes may be performed through announcement.

The minutes of Shareholders' meeting shall record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The meeting minutes, sign-in book for attending Shareholders meeting and the power of attorney acting on behalf of other Director's attendance shall be kept in the Company according to Article 183, the Company Act.

Article 13 : Deleted.

Chapter 4 Director and Supervisor

Article 14 : The Company shall have 5 to 7 Directors and 1 to 3 Supervisors with tenure of 3 years. All Directors and Supervisors shall be elected by the Shareholders' meeting from among the shareholders with disposing capacity, and shall be eligible for re-election. After the Company publicly issued the shares, the lowest total amount of registered stock that all Directors and Supervisors may hold shall follow the regulations of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Company.

Article 14-1 : After the Company publicly issued the shares, the aforesaid Board of Directors must

have at least 2 independent directors and not less than one-fifth of the total number of directors. All Directors and Supervisors shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Act. As to the professional qualification, restrictions on both shareholding and concurrent positions held, the methods of nomination and election, and other requirements with regard to the Independent Directors shall be set forth in accordance with the relevant provisions stipulated by the competent authority of securities.

The election of independent and non-independent directors shall be held together; however, the number of independent and non-independent directors elected shall be calculated separately.

If an Independent Director is discharged for any reason, resulting in a number of Directors lower than required, a by-election for Independent Director shall be held at the next general Shareholders' meeting. In the event that all the Independent Directors have been discharged, the Company shall convene a provisional Shareholders' meeting to hold a by-election within 60 days from the date on which the vacancies arose.

Article 14-2 : The election of the Company's Directors and Supervisors adopts cumulative voting method. The number of votes exercisable in respect of each share shall be the same as the number of Directors or Supervisors to be elected, and the total number of votes per share may be consolidated for the election of one candidate or may be split for the election of two or more candidates. Those receiving ballots representing the higher numbers of voting rights will be elected Directors or Supervisors. If this method is with an amend necessity, it shall follow the provisions of the Article 172 of the Company Act, and the subject and the major contents of the Shareholders' meeting to be convened shall be indicated in the notice.

Article 15 : The Board of Directors shall consist of Directors. The Chairperson of the Board shall be elected from and among the Directors by the approval of more than half of the Directors present at a meeting attended by at least two-third of the Directors holding office. The Chairperson of the Board shall externally represent the Company. A vice Chairperson shall be elected by the same manner.

Article 15-1 : Except as otherwise provided in the Company Act, the resolution a the meeting of the Board of Directors shall be adopted by a majority of the Directors present who represent a majority of the total number of Directors. Except as otherwise provided in relevant laws, on the occasion of being unable to attend the meeting of the Board of Directors, a Director may appoint another Director to attend a meeting of the Board of Directors in his/her behalf. He/she shall, in each time, issue a written proxy and state

therein the scope of authority with reference to the subjects to be discussed at the meeting. A director may accept the appointment to act as the proxy of one other director only.

Article 15-2 : The convene of a meeting of Board of Directors shall be in accordance with the Article 204 of Company Act.

It can be convened at any time in case of emergency.

The notice for the convene set forth in the preceding paragraph may be effected by written, email, or fax.

Article 16 : In case the Chairman of the Board of Directors is on leave or can not exercise his power, his/her proxy shall be in accordance with the Article 208 of the Company Act.

Article 16-1 : In case the number of vacancies in the Board of Directors reached one-third of the total number of Directors, or all Supervisors are discharged, the Board of Directors shall, within 30 days, convene a special meeting of Shareholders to elect new Directors or Supervisors. However, after the Company publicly issued the shares, the special meeting of Shareholders for election of Directors or Supervisors shall be convened by the Board of Directors within 60 day.

Article 17 : The Board of Directors is authorized to determine the remuneration and transportation allowance of the Directors and Supervisors, taking into account the participation level and contribution value of the services provided for the management of the Company and the standards of the industry.

Article 17-1 : The Supervisor shall take charge of auditing all businesses of the Company according to the regulations of the Company Act and the resolution of the Shareholders' meeting, and may attend the Board meeting and state opinions. However, the Supervisors have no voting right.

Article 17-2 : The Company shall take out liability insurance with respect to liabilities resulting from its Directors, Supervisors, or important employees exercising their duties during their terms of occupancy. The Board of Directors is authorized to determine the insured amount and other matters of the liability insurance.

Chapter 5 Manager

Article 18 : The Company may set up managers, the appointment, removal, and compensation of whom shall be subject to Article 29 of the Company Act.

Chapter 6 Accounting

- Article 19 : At the end of each fiscal year, the Board of Directors of the Company shall prepare reports including 1. Business report, 2. Financial statements, 3. Proposal for profits distribution or deficit compensation at the end of each fiscal year for the review of Supervisors at least 30 days prior to the annual general meeting of shareholders, and then submit to the Shareholders' meeting for admission in accordance with the law.
- Article 20 : Where the Company has earnings in a given year, the Company shall allocate 1% or above of earnings as staff remuneration, 3% or below as Directors and Supervisors remuneration. However, if there is still accumulated loss of the Company, the Company shall reserve the compensation amount in advance.
- The persons who are entitled to receive cash or shares as staff remuneration stipulated in the preceding paragraph include the employees of subsidiaries of the Company meeting certain specific requirements.
- Article 20-1 : The Company's annual net profits shall first pay taxes, offset accumulated deficits, and then allocate 10% thereof as legal reserve. However, where such legal reserve amounts reach to the total authorized capital, this provision shall not apply. In consideration of the operation needs and relative laws and regulations, the Company shall allocate special reserve. If there are remaining profits after paying share dividends, the profits shall be add with any accumulated unappropriated earnings form prior years, and the Board of Directors shall propose earning distribution plan for the resolution of the general meeting of shareholders.
- Article 20-2 : The Company is in the stage of enterprise growth. The dividends will be, and will be distributed in the types of stock dividends or cash dividend, which will be determined moderately according to the future capital demand and equity dilution. The cash dividends shall not less than 10% of the total dividends in principle. However, the type and ratio of this surplus distribution shall depends on the actual profit and capital status of the year, and shall be approved by the resolution of the Shareholders' meeting.

Chapter 7 Supplementary Provisions

- Article 21 : The Company may make outward reinvestment where business need exists, and may be a limited liability shareholder of other companies through the resolution of the

Board of Directors. The total amount of investment is not limited by relevant restriction of the total amount of reinvestment prescribed in Article 13 of the Company Act.

Article 22 : For the events not stipulated in the Article of Incorporation, shall be in accordance with the regulations of the Company Act and relevant laws, rules and regulations of the Republic of China.

Article 22-1 : The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.

Article 23 : The Article is stipulated on January 17, 2007.
The 1st amendment was on March 7, 2007.
The 2nd amendment was on June 27, 2008.
The 3rd amendment was on June 18, 2009.
The 4th amendment was on September 10th, 2009.
The 5th amendment was on November 26, 2009.
The 6th amendment was on May 7, 2010.
The 7th amendment was on June 17, 2010.
The 8th amendment was on January 5, 2012.
The 9th amendment was on May 17, 2012.
The 10th amendment was on July 20, 2012.
The 11th amendment was on October 19, 2012.
The 12th amendment was on June 6, 2013.
The 13th amendment was on September 11, 2014.
The 14th amendment was on June 16, 2016.
The 15th amendment was on September 8, 2016.

ADDcn Technology Co., Ltd.

Chairperson : Liao, Shih-Fang

Appendix 2. Procedures of Acquiring or Disposing Assets of the company

1. Purpose and Source of Law

These Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the Financial Supervisory Commission for the purpose of protecting investment and implementing information disclosure.

2. Definitions

1. The term "assets" as used in these Procedures includes the following:
 - (1) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 - (2) Real property (including land, houses and buildings, investment property, right to use land, and construction enterprise inventory) and equipment.
 - (3) Memberships.
 - (4) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - (5) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 - (6) Derivatives.
 - (7) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
 - (8) Other major assets.
2. The term "Derivatives" as used in these Procedure refers to forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index, or other interests; and hybrid contracts combining by the above products. 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.
3. The term "Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law" as used in these Procedure refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 8 of the Company Act.
4. The term "Related party or subsidiary" as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
5. The term "Professional appraiser" as used in these Procedure refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
6. The term "Date of occurrence" as used in these Procedure refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm

the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

7. The term "Mainland China area investment" as used in these Procedure refers to investments in the Mainland China area approved by Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
8. The term "Within the preceding year" as used in these Procedure refers to the year preceding the date of occurrence of the current transaction. Items duly announced need not be counted toward the transaction amount.
9. The term "The most recent financial statements" as used in these Procedure refers to the financial statements of the Company certified or reviewed by certified public accountant which has been published in accordance with applicable regulation before the subject acquisition or disposal of assets.
10. The term "For the calculation of 10 percent of total assets" as used in these Procedure refers to the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

3. Appraisal and Operating Procedure

1. The appraisal procedure in acquiring of assets: with respect to the real property and equipment, each unit shall draw up a plan of capital expenditure and conduct feasible evaluation process first, then submit to the Management Division to designate the budget, and then implement and control according to the plan; with respect to the investing of securities, it shall set up an investment evaluation team by the responsible units and conduct feasible evaluation process before implement.
2. The appraisal procedure in disposing of assets: with respect to the real property and equipment, each unit shall propose by a project with stating its reason and means, and then approved by the Company before implement; with respect to the investing of securities, it shall set up an investment evaluation team by the responsible units and conduct feasible evaluation process before implement.
3. The investing of securities of assets: shall be periodically evaluate reasonable in accordance with the Generally Accepted Accounting Principles, and be set aside allowance for reduction of investment. Each securities certificate should be registered by the Financial Unit, and stored in a safe deposit box.
4. Each equity investment and bond, the Company shall obtain the share certificates or bond certificates with the Company as the investor within thirty days from the date such stocks or bonds may be issued by the invested company pursuant to the Company Act. If it is acquired by transfer, the Company shall immediately handle the transfer of equity process.
5. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a

certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter "ARDF"). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

6. Where the Company acquires or disposes of memberships or intangible assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a 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 ARDF.
7. The calculation of the transaction amounts referred to in the preceding paragraph 5, 6 shall be done in accordance with Article 7, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
8. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the evaluation report or the certified CPA opinion.

4. Approval Process of the Terms and Conditions of the Transaction

1. Except where obtained the evidentiary documentation issued may be substituted for the evaluation report or the attesting CPA opinion, securities trading on centralized securities exchange market or OTC markets, the Company acquires or disposes of assets, shall be approved by the Board of Directors in advance, if it reaches a threshold requiring public announcement and regulatory filing under Article 7 of these Procedures; shall be approved by the Board of Shareholders in advance, if the conditions for the provisions of Article 185 of Company Act are met.
2. The assets acquired or disposed of by the Company, in which are the securities trading on centralized securities exchange market or OTC markets and doesn't reach a threshold requiring public announcement and regulatory filing, the board chairman may delegate the Responsible Units to operate according to the Regulations Governing Authorization of Duties and Agent.
3. The means of price determination and supporting reference materials of the preceding paragraph, shall be taken in accordance with the following:
 - (1) In acquiring or disposing of the securities which are trading on centralized securities exchange market or OTC markets should be determined according to the equity or bond price upon acquisition or disposal.
 - (2) In acquiring or disposing of the securities which are not trading on centralized securities exchange market or OTC markets, shall be referred to the net value per share, profit-making ability, future expanding potential, market interest rate, bonds coupon rate, debt credit rating and others, and determined by reference to the attesting CPA's opinion and the transaction price upon acquisition or disposal.
 - (3) In acquiring or disposing of real property and equipment, shall be referred to the publicly announced current

value, the assessed current value, and the actual transaction price of neighboring real property before the approval, if it reaches a threshold requiring public announcement and regulatory filing under these Procedures, an additional evaluation from a professional appraiser shall be obtained.

5. The Responsible Units

The Responsible Units of the Company: regarding the investing of securities is Finance Division, and regarding real property and equipment are Assets Management Division and the relevant responsible units.

6. Exclusion Clauses about Related Party

1. Any professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters whom provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions, shall not be a Related Party of the Company, and any professional appraisers and their officers shall have no conviction or sentence.
2. 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.

7. Public Disclosure of Information

1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
 - (1) Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where 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; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (2) Merger, demerger, acquisition, or transfer of shares.
 - (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
 - (4) Where types of assets for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
 - (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
 - (6) Where an asset transaction other than any of those referred to in the preceding (1)~(5) subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following
 - A. Trading of domestic government bonds.
 - B. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
2. The amount of transactions above shall be calculated as follows:

- (1) The amount of any individual transaction.
 - (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 - (3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property within the same development project within the preceding year.
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
 - (5) "Within the preceding year" as used in the preceding paragraph (2) through paragraph (4) refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.
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 its subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.
 4. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
 5. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.
 6. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.

8. Related Party Transactions

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in compliance with the provisions of the preceding Article 3, paragraph 5 through paragraph 7, Article 12 and this Article herein, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Article 3, paragraph 5 through paragraph 7, and Article 12 herein. Besides, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance

of the relationship shall also be considered. The calculation of the transaction amount shall be made in accordance with Article 7, paragraph 2 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

2. When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property 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 government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds, 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:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with this Article, paragraph 3 and paragraph 4 herein.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts shall be made in accordance with Article 7, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.

When acquisition or disposal of equipment to be conducted between the Company and its subsidiaries, the Company's board of directors may 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.

Where the position of independent director has been created in accordance with the provisions of the Securities and Exchange Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 2 herein, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

3. The Company that acquires real property from a related party shall appraise the reasonableness of the transaction costs by the following means (Where land and structures thereupon are combined as a single property purchased

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 the following):

4. The Company that acquires real property from a related party and appraises the cost of the real property in accordance with the preceding paragraph shall also engage a CPA to check the appraisal and render a specific opinion.
5. Where the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the paragraph 2, and paragraph 3 through paragraph 4 herein do not apply:
 - (1) The related party acquired the real property through inheritance or as a gift.
 - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction.
 - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
6. Where the Company acquires real property from a related party and the results of the Company's appraisal conducted in accordance with this Article, paragraph 3 herein are uniformly lower than the transaction price, the matter shall be handled in compliance with the paragraph 7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
 - (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - A. Where undeveloped land is appraised in accordance with the means in the preceding article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - B. Completed deals by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale practices.
 - C. Completed leases by unrelated parties within the preceding year involving other floors of the same property, where transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with standard property market leasing practices.
 - (2) Where the Company acquiring real property 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.
 - (3) Completed deals involving neighboring or closely valued parcels of land in the subparagraph 1 and 2 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 deals 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.

7. Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with the paragraph 3 through paragraph 6, are uniformly lower than the transaction price, the following steps shall be taken:
 - (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. The Company that has set aside a special reserve under above may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, 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 FSC has given its consent.
 - (2) Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
 - (3) Actions taken pursuant to the preceding subparagraph (1), (2) two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

9. The Scope and Amount of Investment

Except the assets acquired for business use, the limits of the real property and securities acquired by the Company for non-business use are as follow:

1. The Company:
 - (1) The total amount of investment in non-business use real property may not exceed thirty percent of the Company's net value.
 - (2) The total amount of investment in securities may not exceed sixty percent of the Company's net value.
 - (3) The total amount of investment in individual securities may not exceed twenty percent of the Company's net value.
2. Where the Subsidiary is a professional investment company:
 - (1) The total amount of investment in non-business use real property may not exceed fifty percent of the Company's net value.
 - (2) The total amount of investment in securities may not exceed two hundred percent of the Company's net value.
 - (3) The total amount of investment in individual securities may not exceed two hundred percent of the Company's net value.

3. Where the Subsidiary is other than a professional investment company:

- (1) The total amount of investment in non-business use real property may not exceed sixty percent of the Company's net value.
- (2) The total amount of investment in securities may not exceed sixty percent of the Company's net value.
- (3) The total amount of investment in individual securities may not exceed twenty percent of the Company's net value.

10. Engaging in Derivatives Trading

1. Trading principles and strategies

- (1) Types of Derivatives: The types of derivatives include forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from assets, interest rate, foreign exchange rate, index, or other interests; and hybrid contracts combining by the above products. 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.
- (2) Operating and Hedging Strategies: The Company engages in derivatives transaction should be aimed at hedging. The selected trading derivatives should be based on that enable the Company to avoid the risks of business operations. The transaction counterparty should also choose the banks that have business dealings with the Company as much as possible to avoid credit risk.

(3) Segregation of Duties:

A. Financial Department:

- Collecting opinions from market information financial advisors, judging trends and risks, familiarizing with financial products and related laws and regulations, operational skills and others, and engaging in transactions according to the instructions and authorized parts of the responsible management personnel, to avoid the risk of market price fluctuations.
- Periodically evaluate.
- Periodically public announcement and regulatory filing.

B. Accounting Department:

Keeping accounts and preparing financial statements in accordance with the Generally Accepted Accounting Principles.

C. Audit Department:

The auditor shall, in accordance with the regulations, conduct auditing matters to the relevant personnel engaged in the transaction, request the relevant documents for review, and measure, monitor and control the risk, and then submit the report in writing.

(4) essentials of performance evaluation:

A. Hedging Transaction:

- The performance evaluation is based on the profit and loss produce from engaging in derivatives trading by the account exchange rate.
- The profit and loss shall be evaluated on a monthly basis.

B. Particular Purpose Transactions:

The performance evaluation is based on the actual profit and loss.

(5) Transaction Amount:

- A. Total Amount of Contracts: The total amount of Contracts in the Company engage in derivatives trading may not exceed thirty percent of the Company's pay-in capital.
 - B. Particular Purpose Transaction: The Financial Department may draw up a strategy based on the forecast of changing conditions of the market, but shall not conduct until it approved by the general manager and the chairman of the board of directors.
- (6) The Maximum Loss Limit: The maximum loss limit on total trading in the Company engage in derivatives trading may not exceed three percent of the total investment amount and the maximum loss limit for individual contracts in the Company engage in derivatives trading may not exceed thirty percent of the total amount of contracts.
- (7) The matters relevant to bond margin trading, shall be subject to mutatis mutandis application of this Article.
2. Risk Management Measures:
- (1) Risk Management:
 - A. Credit Risk's Considerations: The transaction counterparty should be limited to the banks that have business dealings with the Company and can provide professional information to the Company for the principle.
 - B. Market Risk's Considerations: The market is dominated by the bank's OTC and currently does not consider the futures market.
 - C. Liquidity's Considerations: To ensure liquidity, the transaction bank must have adequate equipment, information and transaction capabilities and can be traded in any market.
 - D. Operational Considerations: The personnel engaged in derivatives trading must exactly comply with the authorization amount limit, operating procedure for avoiding operational risk.
 - E. Legal Considerations: Any document signed with the bank shall be reviewed by the Legal before it signed formally to avoid legal risks.
 - F. Commodity Risk's Considerations: Internal personnel engaged in derivatives trading for derivatives transactions should have complete and correct expertise to avoid misuse of derivatives lead to losses.
 - (2) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
 - (3) Risk measurement, monitoring, and control personnel shall be assigned to a different department that the trading and confirmation, settlement personnel and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
 - (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
 - (5) Other Important Risk Management Measures.
3. Where the Company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:
- (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

- (3) Penalties for the relevant personnel violating these Procedures.
4. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:
- (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures and the handling procedures for engaging in derivatives trading formulated by the Company.
 - (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.
5. The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to engaging in Derivatives Trading.
6. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 20 and subparagraph 4 of paragraph 2, subparagraph 2 of paragraph 3 and subparagraph 1 of paragraph 4 of this Article, shall be recorded in detail in the log book.
7. Internal audit system: The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the handling procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.

11. Merger, Demerger, Acquisition, or Transfer of Shares of Enterprises

1. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
2. The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of

a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

3. The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:

- (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
 - (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
4. The Company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraph 1, subparagraph 2 of the preceding paragraph 3 to the FSC for recordation.
 5. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company and conduct in accordance with the provisions of the paragraph 3 and paragraph 4.
 6. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity-type security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
 7. The Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of

- corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-type security.
- (2) An action, such as a disposal of major assets, that affects the company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
8. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations thereof, and shall also record the following:
- (1) Handling of breach of contract.
 - (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - (4) The manner of handling changes in the number of participating entities or companies.
 - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
9. After public disclosure of the information, if the Company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
10. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of this Article, paragraph 3, paragraph 6, and paragraph 9.

12. Appraisal Report of Real Property and Equipment acquired or disposed

In acquiring or disposing of real property, equipment 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 government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment held for business use, 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:

- (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 above procedure shall also be inferred by analogy whenever there is any oncoming change to the terms and conditions of the transaction.

- (2) Where the transaction amount is NT\$ 1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC's ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

The calculation of the transaction amounts shall be made in accordance with Article 7, paragraph 2 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

13. Other Matters

- 1. Information required to be publicly announced and reported on acquisitions and disposals of assets by the Company's subsidiary that is not a public company in Taiwan shall be reported by the Company. The paid-in capital or total assets of the Company shall be the standard applicable to the subsidiary referred to in the preceding paragraph in determining whether, relative to "reaches 20 percent or more of paid-in capital or 10 percent or more of total assets", it reaches a threshold requiring public announcement and regulatory filing.
- 2. The Company's subsidiaries acquiring or disposing of assets, shall establish its Procedures governing the acquisition or disposal of assets in accordance with the provisions of the Regulations. After these Procedures have been approved by the board of directors, they shall be submitted to a shareholders' meeting of each subsidiary for approval; the same applies when these Procedures are amended. The Company shall see to it that its subsidiaries adopt these Procedures governing the acquisition or disposal of assets in compliance with the Regulations and check by itself, the internal audit department shall review the audit reports or self-assessment reports submitted by each subsidiary, and shall follow up on the correction of any defects.
- 3. Where the assets acquired or disposed of by the Company reaches the threshold requiring public announcement and regulatory filing of these Procedures, and the transaction counterparty is a de facto related party, the publicly announced and reported information shall be disclosed in the financial statement notes, and be submitted to the shareholders meeting.

4. The relevant personnel violating these Procedures and applicable laws and regulations, the Company may make a warning, demerit, demotion, suspension, salary reduction or other penalty, and make it as an internal review.
5. If there is any incomplete matters in these Procedures, it shall be handled in accordance with the applicable law and regulations of the Company. However, If the original regulations and legal interpretations of Procedures Governing the Acquisition and Disposal of Assets amended by the authorities, the Company shall comply with the new regulations and legal interpretations.
6. ADDCN TECHNOLOGY (Shenzhen) LLC

14. Implementation and Amendment

Implementing after these Procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to the shareholders' meeting for approval; the same applies when these Procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each supervisor.

Where the position of independent director has been created in accordance with the provisions of the Securities and Exchange Act, when these Procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Appendix 3: Management of Loans to Others

1. Goals and Applicable Laws and Regulations

The Procedure is established to make the Company operate accordingly. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations

2. Loaning Fund and Object and Evaluation Criteria

In accordance with the Article 15 of the Company Law, the Company shall not Loaning Funds to any shareholders or any other person except under the following circumstances:

1. Companies or business with business relationship with the Company; "business relationship" as referred to above shall mean businesses who have purchase or sale agreement with the Company.

A company or business with a short-term financing need offered by the Company; which the Company holds, directly or indirectly, at least 50% of the voting shares, the short-term financing may be granted only to those who have business needs..

3. The Aggregate Amount of Loans and the Maximum Amount Permitted to a Single Borrower

1. The total amount of the Company's loan of funds shall not exceed 40% of the net value of the latest financial statements of the Company, of which:
 - : the individual loans and amounts are not more than the total amount of business transaction amount between the two parties of the past 12 months ("Business transaction amount" refers to the amount of purchase or sale between the parties, whichever is higher) It shall not exceed 10% of the net worth of the Company. Where funds are lent to a company or business with business relationship, the accumulated amount of such loan shall not exceed 20% of the net worth of the Company.
 - Where an inter-company or inter-firm business transaction calls for a short-term financing: the amount of an individual loan shall not exceed the business transaction amount in the past year between the parties. The total amount of the loan shall not exceed more than 20% of the Company's net worth as stated in its latest financial statement.
2. Among foreign companies in which the Company holds, directly or indirectly, 100% of the voting shares, loans may be granted due to financing need and the amount is not subject to 20% of the lender's net worth, and shall not be applied in accordance with Article 4.

The short term as referred to in this operating procedure is one year. However, those whose operating cycle is longer than one year shall the company's operating cycle prevail.

The amount of financing as referred to in this operating procedure is the accumulated balance of the Company's short-term financing.

"Net worth" as referred to in the Procedures shall be equity attributable to owners of the parent company in the balance sheet, under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. Duration of Loans and Calculation of Interest

1. Each loan and term of the loan shall not exceed one year or one business cycle from the date of the loan. (The longer one shall be given priority)
2. The calculation of the interest on the loan of funds is based on the daily interest rate. The interest amount is the sum of your balance on each day (also known as "the total product") multiplied by its annual interest rate and then divided by 365. The annual interest rate shall not be lower than the Company's short-term bank interest rates on average.
3. In addition to the special provisions, the loan interest rate shall be paid on a monthly basis, and the borrower shall be notified of the interest payment one week prior to the due dates.

5. Handling and Analytical Procedures

1. Application procedure
 - The borrower shall provide basic information and financial report, and fill in an application form, describing the purpose of the fund, the borrowing period and the amount, and then submit it to the financial affairs department of the Company. The finance affairs department shall first evaluate the necessity and rationality for the funds lending.
 - Where funds are lent to a company or business with business relationships with the Company, the case officer from the Company's finance and accounting department shall evaluate the loan and ensure that the amount is equivalent to the amount of business transactions; where short-term financing is necessary, reasons and circumstances of obtaining loans and funds shall be listed, along with credit investigation. The relevant information and the proposed loan requirement shall be submitted to the head and the general manager of the finance and accounting department, and following that is to report to the board of directors.
 - Independent directors play a vital role to the Company. When submitting the operating procedure to the board of directors for discussion, in accordance with the preceding paragraph, their opinions shall be considered. Any agreements or objections the independent directors have presented shall be stated in detail in the board of directors meeting minutes.
2. Credit investigation
 - For an initial borrower, it is essential to provide basic information and financial report for the sake of credit investigation.
 - When it comes to continual borrowers, credit investigation shall be re-applied when the renewal is proposed. Any significant event or of an emergency could be handled at any time as needed.
 - If the borrower's financial condition is good and the annual financial statement has been filed with financial certification by CPAs (Certified Public Accountant), the investigation that has not been reported more than one year shall be used. Report assessed and certified by the CPA is another reference for the loan.
 - The Company's credit investigation and risk assessment shall also indicate the impact on the Company's operational risk for loaning, financial condition and shareholders' equity.
3. Loan approval and notification:

- After the credit investigation and evaluation, if the board of directors disagreed with the loaning, the case officer shall respond to borrower about the refusal as soon as possible.
 - After the credit investigation and evaluation, if the board of directors agreed with the loaning, the case officer shall inform the borrower of the approval as soon as possible, detailing the Company's terms and conditions of loan, including the amount, period, interest rate, collateral and guarantor, etc. Ask the borrower to complete the agreement signing before it's due.
4. Identity Verification
- Loan contract terms and conditions shall be drafted by the case officer and reviewed by the chief, and then sent to a legal counsel for verification before signing the contract.
 - The contents of the contract shall be in accordance with the approved conditions of borrowing. After the borrower and the joint guarantor sign the contract, the case officer shall complete the identity verification as a formality.
5. Collateral values assessment and setting the pledge
- Except for the subsidiaries in which the Company directly or indirectly holds more than 50% of the voting shares, promissory notes with the same amount, collateral or other guarantees required by the company shall be provided. The guarantor provider shall deal with pledge or setting the pledge. The company shall also need to deal with collateral evaluations for the creditor's right management.
6. Insurance
- In addition to land and securities, the collateral should be insured against fire and other related risks. The amount of insurance shall not be lower than that of the pledged collateral. The Company shall be indicated as the beneficiary on the insurance policy. The items, quantity, storage location, insurance conditions, insurance approval, etc. indicated on the policy shall be in accordance with the original loan conditions of the Company.
 - The case officer shall notify the borrower to renew their policy before it expires.
7. Funding
- After the loan conditions are approved and signed by the borrower, the collateral registration is completed, and all the procedures are verified, the funds will be allocated.
8. Repayment
- After funding, the financial and business credit report and other credit status of the borrowers and the guarantors shall be checked regularly. Any variations in the collateral value shall be noted. The borrower shall be notified to pay off the principal and interest one month before the loan is due.
- Borrowers shall calculate the interest payable in advance, and along with the principal for loan repayment. The sinking fund certificates such as the promissory note and the IOU, shall be annulled and returned to the borrower.
 - If the borrower applies for annulment of the mortgage, it would be subject to that whether there is any loan balance left.

6. Subsequent Loan Measurement and Procedures of Handling Creditors' Rights over Overdue Loan

1. Registration and Custody

- A log book recorded loan of funds shall detail information including target customers, the amount of the loan, board of directors' approval dates, loan date, and the matters required to be carefully evaluated in accordance with the Procedure.
- After lending the loan, the case officer shall organize all the documents in order, such as contractor's receipt, promissory note, collateral certificate, insurance policy and any correspondence, and provide custody for the files with bags. After the bags are marked with item names and customer's name, they shall be submitted to the chief of finance and accounting department for inspection. Once all test passed, the bags are sealed. The two parties shall sign or stamp on a registry.
- Internal auditors shall perform auditing and the Procedures and implementation of loans to others every quarter, and produce written auditing reports. If any serious violation is found, the supervisors and independent directors shall be notified with written notices.
- If there be any excess over the lending limit due to unexpected changes of the Company, a corrective plan will be made and provided to the supervisors.

7. Control Procedures for Managing Loans to Others by the Subsidiaries

1. If the Company's subsidiaries intend to lend funds to others, they shall also set up the operating procedures in obedience to the operating procedures; however, the net worth is calculated based on that of the subsidiaries.
2. Internal auditors of the Subsidiaries shall perform auditing and the Procedures and implementation of loans to others every quarter, and produce written auditing reports. If any serious violation is found, the supervisors and independent directors shall be notified by the Company's auditors with written notices.
3. When internal auditors of the Company conduct the annual audit plan in subsidiaries, they shall be familiar with the Subsidiaries' procedures of leading loans to others. If any fault is found, the general manager shall be notified with track records report and deliver to the supervisors and independent directors for review.
4. When fund lending occurs between the Company and the subsidiaries or among the subsidiaries, an approval from the Board of directors shall be obtained, and the COB shall be authorized to handle the matter within the specific amount of fund lending to the same party approved by the Board of directors and the lending is authorized in disbursement or revolving within one year.
5. "Specific amount" as referred to above shall mean that the authorized amount of loans by the Company or its subsidiaries to an individual entity shall not exceed 10% of the Company's net value in their most recent financial statement, unless it meets the requirements of Paragraph 4, Article 3.

8. Announcement and Reporting Procedures

1. The Company shall announce and report the previous month's loan balances to its head office and the Subsidiaries by the 10th day of each month.
2. When the Company whose loan of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence of the fact:
 - The balance of loans to others reaches at least 2 percent of the Company's net worth as stated in its latest financial statement.
 - The balance of loans by the Company to a single enterprise reaches at least 10 percent of the Company's net worth as stated in its latest financial statement.
 - The amount of added loans of funds by the Company reaches NT\$10 million or more, and reaches at least 2 percent of the Company's net worth as stated in its latest financial statement.
3. The Company is not a public company's subsidiary in Taiwan. Information required to be publicly announced and reported in accordance with the provisions of the preceding Paragraph shall be reported by the Company.

The loan-to-net-worth ratio as referred above is calculated based on an aggregate of the Company's and its Subsidiaries' loan balance.
4. The Company shall make sufficient provision based on the condition of its lending profile, adequately disclose information in the financial statements, and provide external auditors with necessary information for conducting due auditing.
5. The term "Announcement and Report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission of Taiwan.
6. The term "date of occurrence of the fact" as used in Paragraph 2 of this Article refers to the date of contract signing, date of payment, date of board of directors resolution or other date that can confirm the subject and monetary amount of the loan, whichever date is earlier.

9. Penalty

If the Company managers and case officers violate the Procedures, assessments would be made and submitted in accordance with the Company's employee handbook, and impose penalties accordingly.

10. Implementation and Amendment

The Procedures and any amendment thereof shall be effective upon approval on board of directors meeting and then by the supervisors and shareholders. If a director objects to or expresses reservations about any matter which has been recorded in the minutes or in writing, the objection shall be submitted to the supervisors and the shareholders' meeting for discussion. The same rules shall apply to any amendments.

Independent directors play a vital role to the Company. When submitting the operating procedure to the board of directors for discussion, in accordance with the preceding paragraph, their opinions shall be considered. Any agreements or objections the independent directors have presented shall be stated in detail in the board of directors meeting minutes.

Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Appendix 4: Procedures for Endorsement and Guarantee

1. Goals and Applicable Laws and Regulations

The Procedure is established for the Company to operate accordingly while making external endorsements/guarantees. Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

2. The endorsement/guarantee as referred to in the Procedure are as follows:

1. Financing endorsement/guarantee, including:
 - Discount note;
 - Endorsement/guarantee for the purpose of financing other companies;
 - Issuing separate bills for non-financial undertakings for the purpose of financing the Company
2. Endorsements/guarantees of custom duties due from the Company or other companies
3. Other endorsements/guarantees that are not classified as prior two types

The pledge or mortgage provided by the Company against its assets and properties for guaranteeing another company's loan shall be handled in accordance with the Procedure.

3. The Company may make endorsements/guarantees for the following companies:

1. Companies or business with business relationship with the Company
2. A company in which the Company directly and indirectly holds more than 50% of the voting shares
3. A company that directly and indirectly holds more than 50% of the voting shares in the Company

Companies in which the Company holds, directly or indirectly, 90%, or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements or guarantees may not exceed 10% of the net worth of the Company, provided that this restriction shall not apply to endorsements/guarantees made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.

"Subsidiary" and "parent company" as referred to in the Procedures shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of Taiwan.

"Net worth" as referred to in the Procedures shall be equity attributable to owners of the parent company in the balance sheet as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of Taiwan.

4. Amount of Endorsement and Guarantee

The Procedures set forth below are the guidelines for the Company to provide endorsement and/or guarantee to outside parties.

1. The amount of the company's external endorsement and guarantee shall not exceed 40% of the net worth of the most recent shareholders' equity.
2. The aggregate amount of endorsement and guarantee provided to any single enterprise shall not exceed 20% of the net worth of the most recent shareholders' equity. However, if the

loan is provided to any individual due to business relationships, the amount shall not exceed the total amount of business transactions between the two parties of the past 12 months. The business amount refers to purchase amount or sales amount of the goods between the parties, whichever is higher.

5. Hierarchy of Decision-making Authority and Delegation Thereof

1. When making any endorsement/guarantee pursuant to a subsidiary in which the Company holds, directly or indirectly, 100% or more of the common stocks, the Company shall submit the proposal to the COB to facilitate execution and reported to the Board of directors' Meeting for ratification.
2. Except for Paragraph 1, other matters of guarantee/endorsement within 20% of the current net worth shall be submitted to the COB to facilitate execution and reported to the Board of directors' Meeting for ratification. The relevant situation shall be reported to the shareholders' meeting for future reference.
3. The Company's amount of endorsement/guarantees exceeds the maximum but is under the conditions of the Guidelines due to business needs, shall be approved by the board of directors and a warranty by more than half of the directors for the Company's potential losses. The Guidelines shall be amended and reported to the shareholders' meeting for ratification; if disagreed, the excess shall be sold out before it's due.

6. Procedures for Making Endorsement and Guarantee

1. Basic information and financial statements shall be provided when an enterprise needs a guarantee deposit, which is the amount set forth in the endorsement/guarantee provided by the Company, and fill in the application form and submit it to the finance affairs department. The department shall undergo careful evaluation and credit reporting. The evaluation items shall be included: the necessity and rationality of the endorsement/guarantee, consistency in amount of endorsement/guarantees and that of business transactions in the case, the impact on the Company's operational risks, financial condition and shareholders' equity, and the necessity to acquire collateral and appraisal of collateral.
2. The Financial Affairs Department of the Company shall submit the preceding information and evaluation results, along with opinions provided by other related departments, to the Board of directors Meeting for approval. The COB shall be authorized by the Board of directors to facilitate execution within a certain amount, and Board of directors' Meeting shall be reported to for ratification.
3. A log book recorded endorsement/guarantee established by the Financial Affairs Department shall detail information including target customers, the amount of the endorsement, board of directors or COB's approval dates, and the matters required to be carefully evaluated in accordance with the Procedure, the collateral items and the evaluation, and the liability and date for the cancellation of the endorsement.
4. When an enterprise whom the endorsement/guarantee was made with repay, the Company shall be represented with the documents for repayment to cancel the guarantee liability of the Company and record on a log book.

5. The finance affairs department shall regularly evaluate and list the contingent loss of the endorsement, properly disclose the endorsement/guarantee information in the financial statements, and provide relevant information to the CPA for the accountants to adopt the necessary checking procedures and issue an appropriate check report.

7. Custody and Procedures of Company Seal

The Company shall apply to the Ministry of Economic Affairs for registering its company seal designated for endorsement/guarantee. A designated person shall be granted guardianship to the seal by the board of directors, and seal would be available and notes would be issued in accordance with the regulations.

The designated person who keeps the company chop used for endorsement/guarantee shall not be the person who conducts the endorsement/ guarantee.

When providing endorsements/guarantees to a foreign company, the endorsement/guarantee letter should be executed and signed by the person delegated by the Board of directors.

8. Guidelines for Making Endorsement and Guarantee

1. Internal auditors of the Company shall perform auditing and the Procedures and implementation of loans to others every quarter, and produce written auditing reports. If any serious violation is found, the supervisors and independent directors shall be notified with written notices.
2. If the company fails to comply with Article 3 of the Procedures due to the change of circumstances, or the amount of the endorsement/guarantee exceeds the one specified in Article 4 of the Procedures due to the change of the basis for maximum, the audit department shall ensure that the Finance Affairs Department eliminates the amount or excess of the guarantees/endorsement when the contract terminates or before it's due. The improvement plan shall be sent to the supervisors, and be reported to the board of directors meeting.
3. The Company's amount of endorsement/guarantees exceeds the maximum but is under the conditions of the Guidelines due to business needs, shall be approved by the board of directors and a warranty by more than half of the directors for the Company's potential losses. The Guidelines shall be amended and reported to the shareholders' meeting for ratification; if disagreed, the excess shall be sold out before it's due.

9. Announcement and Reporting Procedures

1. The Company shall announce and report the previous month's loan balances of endorsements/guarantees to its head office and the Subsidiaries by the 10th day of each month.
2. The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such an event within two days commencing immediately from the date of occurrence of the fact:
 - The balance of endorsements/guarantees reaches at least 50 percent of the Company's net worth as stated in its latest financial statement.

- The balance of endorsements/guarantees by the Company to a single enterprise reaches at least 20 percent of the Company's net worth as stated in its latest financial statement.
 - The balance of endorsements/guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements/guarantees for, long-term investment in, and balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial statement..
 - The amount of added endorsements/guarantees by the Company reaches NT\$30 million or more, and reaches at least 2 percent of the Company's net worth as stated in its latest financial statement.
3. If there is any reporting and announcement required for the Company's Subsidiary which is not a Taiwan public company, the Company will follow the requirement on behalf of its Subsidiary.
- The ratio of the amount of endorsements/guarantees to the Company's net worth as referred above is calculated by an aggregate of balance of endorsements/guarantees by the Company and its Subsidiaries.
4. The Company shall regularly evaluate and list the contingent loss of the endorsement, properly disclose the endorsement/guarantee information in the financial statements, and provide relevant information to the CPA for the accountants to adopt the necessary checking procedures.
5. The term "date of occurrence of the fact" as used in the as used in Paragraph 2 of this Article refers to the date of transaction signing, date of payment, dates of resolutions of the Board of directors, or other date that can confirm the subject and monetary amount of the transaction, whichever date is earlier.

10. Control Procedures for Endorsements/Guarantees to Others by the Subsidiaries

1. If the Company's subsidiaries intend to endorse/guarantee to others, they shall also set up the operating procedures in obedience to the Procedures; however, the net worth is calculated based on that of the subsidiaries.
2. The Company shall announce and report the previous month's loan balances to its head office and the Subsidiaries by the 10th day of each month.
3. Internal auditors of the Subsidiaries shall perform auditing and the Procedures and implementation of loans to others every quarter, and produce written auditing reports. If any serious violation is found, the supervisors and independent directors shall be notified by the Company's auditors with written notices.
4. When internal auditors of the Company conduct the annual audit plan in subsidiaries, they shall be familiar with the Subsidiaries' procedures of making endorsements/guarantees to others. If any fault is found, the general manager shall be notified with track records report and deliver to the supervisors and independent directors for review.
5. If whom the Company and the Subsidiaries provides endorsement/guarantee is a Subsidiary whose net worth is below 50% of it paid-up capital, Finance and Accounting Department

would assess the relevant control risks and the implementation for coping strategy, along with opinions of other departments, and report to the supervisors and the board of directors on a regular basis.

If the Subsidiary as referred to with shares having no par value or a par value other than NT\$10, for the paid-in capital in the aforementioned calculation, the sum of the share capital plus paid-in capital in excess of par shall be substituted.

11. Penalty

If the Company managers and case officers violate the Procedures, assessments would be made and submitted in accordance with the Company's employee handbook, and impose penalties accordingly.

12. Implementation and Amendment

The Procedures and any amendment thereof shall be effective upon approval on board of directors meeting and then by the supervisors and shareholders. If a director objects to or expresses reservations about any matter which has been recorded in the minutes or in writing, the objection shall be submitted to the supervisors and the shareholders' meeting for discussion. The same rules shall apply to any amendments.

Independent directors play a vital role to the Company. When submitting the operating procedure to the board of directors for discussion, in accordance with the preceding paragraph, their opinions shall be considered. Any agreements or objections the independent directors have presented shall be stated in detail in the board of directors meeting minutes.

Any other matters not set forth in the Procedures shall be dealt with in accordance with the applicable laws, rules, and regulations.

Appendix 5: Rules of Procedure for Shareholders' Meetings

1. Purposes:

In order to establish the Company's sound governance system of shareholders' meetings, to perfect the supervisory function, and to strengthen the management mechanism, the Company hereby formulated these rules in accordance with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.

2. Applying Scope:

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

3. Authority and Responsibility:

- (1) Unless otherwise provided by laws or regulations, this Company's shareholders' meetings shall be convened by the Board of Directors.
- (2) The Company's Financial Department is authorized as the "Meeting Affairs Division of the Company's shareholders' meetings" by the Board of Directors.
- (3) The Company's Financial Department is responsible for the notice of the shareholders' meetings before the convention, and for the preparations for the meeting documents needed in the shareholders' meetings.

4. The Notice of the Company's Shareholders' Meetings:

- (1) 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 or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of the regular shareholders meeting or 15 days before the date of the special shareholders meeting.
- (2) The Company shall prepare electronic versions of the shareholders' meeting agenda and supplementary meeting materials and upload them to MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the special shareholders' meeting. In addition, 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplementary meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplementary meeting materials shall also be displayed at this Company and the professional shareholder service agent designated thereby as well as being distributed on-site at the meeting place.
- (3) The reasons of convention of the notice and the announcement shall be specified clearly. The notice for a general meeting may be given by means of electronic communication if the Company obtains prior consent of the individual recipients.
- (4) The following matters shall be listed in the purposes of convention, and must not be raised in the extempore motions: the election or dismissal of directors or supervisors; amendment to these articles; the dissolution, merger, or demerger of the Company, or the matters described in the subparagraphs under Paragraph 1, 185 of Company Act, 26-1 and of 43-6 of Taiwan

Securities and Exchange Act, and 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

- (5) For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Company and stating the scope of the proxy's authorization.
- (6) A shareholder may issue only one proxy form, and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to this Company 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.
- (7) After a proxy form has been delivered to this Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by traditional correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Company 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.
- (8) This Company shall specify in its notice of shareholders' meeting the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences.

5. Guidelines for the time of a shareholders' meeting:

Attendance at shareholders' meetings shall be calculated based on the number 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.

- (1) 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, a tentative resolution made by a majority of those present may be adopted pursuant to 175, paragraph 1 of the Company Act.
- (2) If the attending shareholders present have reached a majority of the total number of issued shares when proceeding the tentative resolution of the preceding paragraph, the chair may call the meeting to order at any time and resubmit the tentative resolution for a vote by the shareholders' meeting.

6. Preparation Prior to the Meeting:

- (1) The Company shall prepare for the reception desk and the attendance book.
 - 1. The reception desk should have a clear sign, and the Company should assign suitable staff to attend to the registrations.
 - 2. The attendance book is to be signed by shareholders present, or attending shareholders may

hand in a sign-in card in lieu of signing in.

- (2) The Company shall furnish the attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials.
- (3) Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- (4) 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.
- (5) This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

7. Chairman of the Meeting:

- (1) If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the Managing Directors to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the Managing Directors or the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the 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.

It is advisable that the shareholders' meeting convened by the Board of Directors be chaired by the chairperson of the Board in person and attended by a majority of the directors and at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the minutes of the meeting.

- (2) If the meeting is convened by any other person entitled to convene the meeting, such person shall be the chairman to preside at the meeting. However, if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

8. Procedure of the Meeting:

- (1) If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
- (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 extempore motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the shareholders may designate, by a majority of votes represented by shareholders attending the meeting, one person as the chair to continue the meeting.
- (4) After the meeting is adjourned, except for the matter described in the preceding paragraph, shareholders may not separately elect a chair and resume the meeting at the original or another venue.

9. Principles of the Meeting:

- (1) When a meeting is in progress, the chair may announce a break based on time considerations.
- (2) The Company shall make an audio or video recording of the shareholders' meeting and retain for at least 1 year.
- (3) 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.
- (4) The results of the voting (including the statistics of the number of voting rights) shall be announced on-site at the meeting after the count of the vote is completed, and a record of the vote shall be made.
- (5) If one meeting cannot be finished in the given time, the chair of the shareholders' meeting may resolve to postpone the meeting for not more than, or to reconvene the meeting within, five days. Also, it is unnecessary for the Company to issue the notice or the announcement of the meeting again.

10. Shareholders' Speech

- (1) Before speaking, an attending shareholder must specify on a speaker's slip his/her shareholder account number (or attendance card number), account name, and the subject of the speech. 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) 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.
- (4) 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 exceeds the given time, the chair may terminate the speech.
- (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.

- (7) 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.
- (8) At the place of the shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Company, the chair may prevent the shareholder from so doing.

11. Shareholder(s) holding 1 percent or more of the total number of outstanding shares may propose to the Company a proposal at a general meeting:

Shareholder(s) holding 1 percent or more of the total number of outstanding shares may propose in writing to the Company a proposal for discussion at a general meeting in accordance with the provision of 172-1 of Company Act. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal. If the shareholder's speech violates the agenda or exceeds the scope of the proposal item, the chair may terminate the speech.

12. Meeting Place:

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. When deciding the place and time of the convention, the Company shall take independent directors' opinions into sufficient consideration.

13. Shareholders' Resolution:

- (1) The voting right at a shareholders' meeting may be exercised in writing or by way of electronic transmission.
- (2) A Shareholder who exercises his votes in writing or by way of electronic transmission, as referred to in the preceding paragraph, shall be deemed to have attended such general meeting in person, but shall be deemed to have waived his votes in respect of any extempore motions and the amendments to the contents of the original proposals at such general meeting.
- (3) Except otherwise specified in Company Act or in articles of incorporation, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the meeting. When a matter comes to a vote at a shareholders' meeting, if upon inquiry by the meeting chair no member voices an objection, the matter will be deemed approved, with the same effect as approval by vote. 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.
- (4) 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.

14. Meeting Minutes:

- (1) Meeting minutes shall be signed or stamped by the chairman of the meeting and distributed to

all shareholders within 20 days after the meeting.

- (2) The distribution of the meeting minutes, as described in the preceding paragraph, may be performed by means of announcement.
- (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, and shall be retained for the duration of the existence of this Company.

15. 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) Shareholders (or proxies) shall obey the direction regarding the maintenance of order of the chair or the proctors (or security personnel). 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.

16. Implementation of and Amendment to these Rules:

- (1) For any matters not stipulated herein, the Company shall comply with regulatory requirements under the Company Act and applicable laws and regulations.
- (2) These Rules, and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Appendix 6: Shareholding of all Directors and Supervisors

The Company's total paid-in capital is NT\$ 425,790,000, and total issued shares are 42,579,000.

1. According to the provisions of Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum required shares of the Company's directors and supervisors should be 3,600,000 shares and 360,000 shares. The total sum of the shares owned by the Company's directors and supervisors has conformed to the provisions.
2. The numbers of shares held by the directors and supervisors individually and by the entire bodies thereof respectively as recorded in the shareholders' register as of April 22, 2019 of the book closure date for this shareholders' meeting are listed as follows:

Position	Name	Shares	Shareholding ratio
Chairman	Liao, Shih-Fang	3,119,142	7.33%
Director	Wu, Tsung-Hsien	396,406	0.93%
Director	Lin, Mei-Hui	162,470	0.38%
Director	Cheng Yu investment ltd	2,254,024	5.29%
Director	Wang, Chung-Ping	0	0.00%
Independent Director	Lien, Chi-Jui	0	0.00%
Independent Director	Chen, Fu-Mei	0	0.00%
Total			5,932,042
Supervisor	Rui Qi investment ltd	483,940	1.14%
Supervisor	Huang, Mu-Chuan	0	0.00%
Supervisor	Chen, Chin-Han	1,341	0.00%
Total			485,281