

ADDcn Technology Co., Ltd

2020 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 18, 2020

Venue: No. 40, Siyuan Road, Xinzhuang District, New Taipei City
Theater B (Amazing Hall-XinZhuang)

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ADDcn Technology Co., Ltd

2020 Annual General Shareholders' Meeting Agenda

Time: 9:00 am, June 18 (Thursday), 2020

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

Theater B (Amazing Hall-XinZhuang)

One. Announcement of the Number of Shares Represented in the Meeting

Two. Call the Meeting to Order

Three. Chairperson Remarks

Four. Report Items

- (I) 2019 Business Report
- (II) 2019 Supervisors' Audit Report
- (III) 2019 Report on the Distribution of Remuneration to Directors/Supervisors and Employee
- (IV) Amendment Report of the "Procedures for Ethical Management and Guidelines for Conduct" of the Company
- (V) Amendment Report of the "Ethical Corporate Management Best Practice Principles" of the Company

Five. Ratification Items

- (I) 2019 Business Report and Financial Statements
- (II) 2019 Surplus Earning Distribution

Six. Discussions Items

- (I) Cash Distribution of Capital Surplus
- (II) Amendment to the "Articles of Incorporation" of the Company
- (III) Amendment to the "Rules of Procedure for Shareholder Meetings" of the Company.
- (IV) Amendment to the "Election Procedure of the Directors and Supervisors" of the Company
- (V) Issuance of New Restricted Employee Shares

Seven. Questions and Motions

Eight. Adjournment

[Report Items]

I. 2019 Business Report.

Descriptions:

Please refer to Attachment 1.

II. 2019 Supervisors' Audit Report.

Descriptions:

Please refer to Attachment 2.

III. 2019 Report on the Distribution of Remuneration to Directors / Supervisors and Employees.

Descriptions:

1. According to Article 20 of the Articles of Incorporation.
2. The distributed employee remuneration was NT\$51,800,000 and the remuneration to the directors and supervisors was NT\$7,400,000 in 2019. All were distributed in cash and had no discrepancies in the recognized amount in 2019.

IV. Amendment to the "Procedures for Ethical Management and Guidelines for Conduct" of the Company.

Descriptions:

To be in line with the laws and regulations and actual needs, the Company amended the "Ethical Corporate Management Best Practice Principles." For the comparison table of amendment to the "Ethical Corporate Management Best Practice Principles," please refer to Attachment 3.

V. Amendment to the "Ethical Corporate Management Best Practice Principles" of the Company.

Descriptions:

To be in line with the laws and regulations and the actual needs, the Company amended the "Procedures for Ethical Management and Guidelines for Conduct." For the comparison table of amendments to the "Procedures for Ethical Management and Guidelines for Conduct," please refer to Attachment 4.

[Ratification Items]

I. Business Report and Financial Statements. (Proposed by the Board of Directors)

Descriptions:

1. The 2019 Business Report and Financial Statements have been approved by the Board on March 12, 2020 and reviewed by the supervisors with the issuance of the review report.
2. The financial statements mentioned above were audited by CPA Cheng-Chien Chen and CPA Yung-Hua Huang of KPMG Taiwan, to which they have issued an independent auditor's report with unqualified opinion.
3. For the attached Business Report, Independent Auditor's Audit Report and Financial Statements mentioned above, please refer to Attachment 1 and 5.

Resolution:

II. 2019 Surplus Earning Distribution. (Proposed by the Board of Directors)

Descriptions:

1. For the attached 2019 Surplus Earning Distribution Table, please refer to Attachment 6.
2. The Company plans to attribute NT\$519,421,100 from the distributable earnings of 2019 as cash dividend at NT\$12.2 per share. The cash dividends is calculated and truncated to the nearest NT\$1. Fractions shall be summed and recognized by the Company as other income.
3. Upon the approval of the shareholders' meeting, the Chairman shall be authorized to set the ex-dividends date, allocation date and other relevant issues.
4. If the total number of the outstanding shares is affected and the distribution yield has changed due to the change in the capital stock of the Company, the shareholders' meeting shall authorize the chairman to handle the matter with full powers based on the Company Act and relevant regulations.

Resolution:

[Discussions Items]

I. Cash Distribution of Capital Surplus. (Proposed by the Board of Directors)

Descriptions:

1. The Company plans to distribute NT\$25,545,300 in cash, which is the capital reserve of the income derived from the issuance of new shares at a premium. According to the shareholding of shareholders in the roster of shareholders on the distribution date, the cash dividend to be distributed is NT\$0.6 per share and is calculated and rounded off to the nearest NT\$1; fractions shall be summed and recognized by the Company as other income.
2. Upon the approval of the shareholders' meeting, the Chairman shall be authorized to set the record date of cash distribution, the allocation date and other relevant issues.
3. If the total number of the outstanding shares is affected and the cash distribution yield of the shareholder has changed due to the change in the capital stock of the Company, the shareholders' meeting shall authorize the chairman to handle the

matter with full powers based on the Company Act and relevant regulations.
Resolution:

II. Amendment to the “Articles of Incorporation” of the Company. (Proposed by the Board of Directors).

Descriptions:

To be in line with the laws and regulations and actual needs, the Company amended the “Articles of Incorporation.” For the comparison table of amendments to the “Articles of Incorporation,” please refer to Attachment 7.

Resolution:

III. Amendment to the “Rules of Procedure for Shareholder Meetings” of the Company. (Proposed by the Board of Directors)

Descriptions:

To be in line with the laws and regulations and actual needs, the Company amended the “Rules of Procedure for Shareholder Meetings.” For the comparison table of amendments to the “Rules of Procedure for Shareholder Meetings,” please refer to Attachment 8.

Resolution:

IV. Amendment to the “Election Procedure of Directors and Supervisors” of the Company. (Proposed by the Board of Directors)

Descriptions:

To be in line with the laws and regulations and actual needs, the Company amended the “Election Procedure of Directors and Supervisors.” For the comparison table of amendments to the “Election Procedure of Directors and Supervisors,” please refer to Attachment 9.

Resolution:

V. Issuance of New Restricted Employee Shares. (Proposed by the Board of Directors)

Descriptions:

1. The Company plans to issue new restricted employee shares based on Paragraph 8, Article 267 of the Company Act and relevant regulations of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers.”

(1) Total issued amount: 424,000 new common shares at NT\$10 per share, totaling NT\$4,240,000.

(2) Issuance conditions:

A. Issuance price: For the issuance of new shares to employees, the issuance price is NT\$0 per share.

B. Vested conditions: Those who meets the comprehensive indexes such as the years of service and performance conditions regulated in the issuance method of new restricted shares for employees.

C. Categories of issued shares: The common shares of the Company.

- D. Actions taken when the employees fail to meet the vested conditions or in the event of inheritance: For the new restricted shares distributed to the employees, in case the employee fails to meet the vested conditions, unless otherwise provided by the issuance method of new restricted shares for employees of the Company, the Company will redeem all shares gratuitously or buy back the issued restricted shares for cancellation.
- (3) Qualifications of the employees and the numbers of shares distributed or subscribed: The full-time employees of the Company who meet certain performance as of the issuing date. By referring to the years of service, grading, performance, overall contribution and other factors and considering the operation needs and business development strategies of the Company, the Company will plan the number of employees receiving the actual distribution within the limited amount specified in the law based on the “issuance method of new restricted shares for employees” and submit to the Board of Directors for resolution.
- (4) The reasons why it is necessary to issue the new restricted employee shares: To attract the talents required for the development of the Company or the affiliated enterprise and increase the loyalty and sense of belonging of the employee to jointly create the value of the Company, the Company plans to issue new restricted shares to the employee based on Paragraph 8, Article 267 of the Company Act and relevant regulations of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers.”
- (5) Possible amount expended: if the issuance price is gratuitously issued, the total amount estimated as expense after issuance may be NT\$89,888 thousand (calculated according to the closing price of NT\$ 212 on March 11, 2020). The amount amortized in 2020, 2021, 2022, 2023 and 2024 is estimated to be NT\$11,236 thousand, NT\$39,326 thousand, NT\$20,225 thousand, NT\$12,360 thousand and NT\$6,741 thousand respectively.
- (6) The dilution of the Company’s EPS and other events impacting the shareholders’ equity: If calculated based on the closing price of NT\$ 212 on March 11, 2020, the impact on EPS in 2020, 2021, 2022, 2023 and 2024 is about NT\$0.26, NT\$0.92, NT\$0.47, NT\$0.29 and NT\$0.16 respectively (calculated according to 42,576 thousand shares issued by the Company on March 11, 2020), which has no material impacts on the present equity of the shareholders.
- (7) Other important matters:
- A. The issuing of new restricted shares for employees shall be conducted by the custodial trust of the shares; for those who received the distributed shares shall have the right to participate in the voting and election at the shareholders’ meeting.
 - B. The new restricted shares issued for employees can join the dividends. The trust shall be conducted for the dividends.
 - C. When implementing the issuance of the proposal, it shall be reported to the competent authority based on relevant regulations after the resolution of the Board of Directors under authorization.

2. Matters that are not properly addressed in the proposal shall be amended or implemented by the authorized Board of Directors or personnel with full powers in accordance with relevant regulations unless otherwise specified by law.

Resolution:

[Questions and Motions]

[Adjournment]

Attachment 1. The Business Report

Dear shareholders,

Thank you all for the support of Addcn Technology in the previous year and the attendance of the 2020 annual meeting of the shareholders. On behalf of Addcn Technology Co., Ltd., I hereby welcome you all to give us precious advice.

I. Business results in 2019:

(1) Results of the business plan:

In 2019, the consolidated revenue of the Company was NT\$1,468,031 thousand and the operating profit reached NT\$717,142 thousand while the net profit after tax and EPS was NT\$600,852 thousand and NT\$14.14, respectively. The continued high stability of the business operation earns more than one capital stock for the shareholders every year. The Company also received the recognition of the international institution by winning the “2019 Asia’s Most Trusted Company.”

Under the efforts of the team, the influences of the websites under the Company continued to increase in various fields in 2019. The “591 Property Trading” already became the leading enterprise in the industry of second-hand housing rental and new construction project. The website continued to introduce more services such as the mortgage service to enhance our leading place. By the strategy of replacing the old by new ones, the “8891 Cars Trading” became the first priority for vehicle purchasing. In addition, we strengthened the outsourcing market by introducing the “Tasker Outsourcing” that integrates technologies such as the big data and machine learning to promote the efficiency of case matchmaking. Websites including the “100 Interior Design,” “Marry Wedding Service” and “Chickpt (Part-Time Human Resource)” continued to increase the leading advantage. Moreover, the “Chickpt” won two rewards of Google Play, which are the best APP of 2019 and the APP with most potential. Although the market operation was very difficult due to the impact of the significant changes in the internal and external situation of Hong Kong, the overall operation of “Hong Kong 591” and “Hong Kong 8591” still grew steadily in such environment. To focus on the development of the platforms in the long run, the Company terminated the operation of the e-commerce platform, VIP Brands Outlet, to utilize the resources in a more efficient way.

(2) Revenue and profitability analysis:

For the consolidated revenue, gross profit, operating profit, net profit of continuing department, net profit after tax in current period and the EPS after tax in 2019, please refer to the following table:

Unit: NT\$ thousands		
Item \ Year	2019	2018
Operating revenue	1,468,031	1,478,744
Gross profit	1,155,098	1,170,177
Operating profit	717,142	728,260
Net profit after tax in current period	600,852	605,804
EPS after tax (NT\$)	14.14	14.04

(3) Research and development:

The Company has more than ten million of members, therefore the consumer behavior data is an important asset for our future websites. By constant enriching of the website

contents and refining of the data algorithm, the Company increases the benefit generated from the data resources. Besides, we constantly strive to optimize the mobile terminal.

II. Summary of 2020 Business Plan:

The global situation seems tougher due to the impact of epidemic. The top priority of the Company in 2020 is to secure the health of the team members to constantly create interest for the shareholders after the end of the epidemic. Talents are the most important asset of the network industry. Only healthy employees can ensure the long-term development of the Company. For the operation, the Company will expand the cooperation with off-line service providers to display the “matchmaking” influence of the websites in 2020. “591 Taiwan” and “8891” will deepen the services to provide a more complete services for the offline vendors such as the intermediary, business agent and bank. The “518 Human Resource” will pay more attention on the employment market of the service industry to expand the market participation of the website. After years of effort, “100 Interior Design,” “Marry Wedding Service” and “Chickpt” gradually becomes one of the leading enterprises in the industry and we expect these websites can operate independently. For the overseas market, “Hong Kong 591” reinforces the operation to expand the market in Zhuhai city of the Greater Bay Area while the “Hong Kong 8591” gradually stabilizes its operation and transforms the leading position to the actual contribution to the Company. We expect the arrangement and promotion stated above will significantly benefit the operation of the Company.

III. Impacts of the external competitive environment, the regulatory environment, and the macroeconomic business environment

The internationalization of the network market in Taiwan becomes more obvious and the impact of the overall environment increases every day. However, the progressively opening up of the overall regulations benefits the network industry. The Company upholds an innovative attitude to face the increasingly harsh challenges and continues to develop multiple convenient services to maintain the growing momentum of the Company. The management team of the Company has rich experience in practice and pays adequate attention to grasp the competitive, regulatory and the macroeconomic business environments in the market.

IV. Future development strategies

The network technology develops and changes every day. Thus, the Company will constantly invest in the research and development and improve the data algorithm and provide better user experience to satisfy the consumer demand via our technology. The market in Taiwan is the foundation of the Company, therefore we will strengthen the business in Hong Kong by our experience in Taiwan to expand into overseas markets. We will continue to explore the market based on the technology to build a growing business model with stability for the Company.

Thank you all for your participation. We also appreciate all of the hardworking employees. In the future, all employees of the Company will strive to boost the performance to create higher profits and value for all shareholders and adopt the sustainable operation as the final objective.

We wish each of you good health and all the best.

Chairman: Shih-Fang Liao

General Manager: Tsung-Hsien Wu

Chief Accountant: Chiao-Ni Chang

Attachment 2. Supervisors' Audit Report

ADDcn Technology Co., Ltd

Supervisors' inspection Report

The Board of Directors of the Company hereby prepared the 2019 Business Report, Financial Statements and earnings distribution motions, in which the financial statements have been audited by board-appointed KPMG with the issuing of the audit report.

We hereby further declare and confirm that the aforementioned Business Report, Financial Statements and Proposed earnings distribution have been audited by us. We found no misstatement in the above, and thereby issue this audit report in accordance with Article 219 of The Company Act.

To 2020 General Shareholders' Meeting of ADDcn Technology Co., Ltd

Supervisor: Rui Qi Investment Ltd.

Supervisor: Mu-Chuan Huang

Supervisor: Chin-Han Chen

March 12, 2020

Attachment 3. Comparison Table of Amendments to the “Procedures for Ethical Management and Guidelines for Conduct”

After amendment	Pre-amendment contents
3. Unethical Conduct: For the purposes of <u>the Procedures and Guidelines</u>, unethical conduct means that any personnel of the Company, in the course of their duties, directly or indirectly offers, accepts, promises or request improper benefits or commits a breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. (Omitted)	3. Prohibition Against Unethical Conduct: The Company prohibits the employees from performing unethical conduct. For the purposes of the Procedures and Guidelines, “unethical conduct” means that any personnel of the Company, in the course of their duties, directly or indirectly offers, accepts, promises or request improper benefits or commits a breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. (Omitted)
5. Responsible Unit and Responsibilities: The Company designates the <u>President’s Office</u> as the responsible unit (hereinafter referred to as the responsible unit) subject to the Board of Directors <u>with sufficient resources and qualified personnel</u> to be in charge of the amendment, implementation, interpretation, and advisory services with respect to the Procedures and Guidelines as well as the recording and filing of reports <u>and</u> supervision of the <u>implementation</u>. The Office is in charge of the following matters and reports to the Board of Directors on a regular basis <u>(at least once a year)</u>:(Item 1 is omitted.) (2) <u>Regular analyzing and assessing the risk of unethical conduct within the business scope to adopt programs to prevent unethical conduct and setting out the standard operating procedures and conduct guidelines with respect to the Company’s operations and business in each program.</u> (Item 3 is omitted.) (Item 4 is omitted.) (Item 5 is omitted.) (Item 6 is omitted.) (7) <u>Preparing and preserving the documentation related to the ethical management policy and its statement of compliance and implementation of promise.</u>	5. Responsible Unit: The Company designates the Management Division as the responsible unit (hereinafter referred to as the responsible unit) subject to the Board of Directors to be in charge of the amendment, implementation, interpretation, and advisory services with respect to the Procedures and Guidelines as well as the recording and filing of reports;the Audit Division is responsible for the supervision of the audit, is in charge of the following matters and reports to the Board of Directors on a regular basis: (Item 1 is omitted.) (2) Adopting programs to prevent unethical conduct and setting out the standard operating procedures and conduct guidelines with respect to the Company’s operations and business in each program. (Item 3 is omitted.) (Item 4 is omitted.) (Item 5 is omitted.) (Item 6 is omitted.)
6. Prohibition Against Providing or Accepting Improper Benefits: Except under one of the following circumstances, when directly or indirectly providing, accepting, promising or requesting any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the “Ethical Corporate Management Best	6. Prohibition Against Providing or Accepting Improper Benefits: Except under one of the following circumstances, when directly or indirectly providing, accepting, promising or requesting any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the “Ethical Corporate Management Best

After amendment	Pre-amendment contents
Practice Principles for TWSE/GTSM Listed Companies” and the Procedures and Guidelines, and the relevant procedures shall have been carried out: (Item 1 is omitted.) (Item 2 is omitted.) (Item 3 is omitted.) (Item 4 is omitted.) (Item 5 is omitted.) (6) <u>Money, property or other benefits offered to or accepted from a person other than relatives or friends; or gifts of property complying with the social norms or normal custom given by another party to the majority of the personnel of the Company.</u> (7) <u>Property complying with the social norms or normal custom received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient’s spouse or lineal relative.</u> (8) Other conduct that complies with the rules of the Company.	Practice Principles for TWSE/GTSM Listed Companies” and the Procedures and Guidelines, and the relevant procedures shall have been carried out: (Item 1 is omitted.) (Item 2 is omitted.) (Item 3 is omitted.) (Item 4 is omitted.) (Item 5 is omitted.) (6) Other conduct that complies with the rules of the Company.
7. Procedures for Handling the Acceptance of Improper Benefits: (Paragraph 1 is omitted.) (Paragraph 2 is omitted.) The responsible unit of the Company <u>shall</u> make a proposal, based on the nature and value of the benefit under Paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and <u>approved</u> by the general manager.	7. Procedures for Handling the Acceptance of Improper Benefits: (Paragraph 1 is omitted.) (Paragraph 2 is omitted.) The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under Paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported to and approved by the general manager.
8. Prohibition of and Handling Procedure for Facilitating Payments: The Company shall neither provide nor promise any facilitating payment. If the personnel of the Company provide or promise a facilitating payment under threat or intimidation, they shall submit a report with the process <u>recorded</u> to their immediate supervisor and notify the responsible unit of the Company. (Omitted)	8. Prohibition of and Handling Procedure for Facilitating Payments: The Company shall neither provide nor promise any facilitating payment. If the personnel of the Company provide or promise a facilitating payment under threat or intimidation, they shall submit a report with the process recorded to their immediate supervisor and notify the responsible unit of the Company. (Omitted)
11. Recusal:	11. Recusal: The Board of Directors of the Company shall exercise the duty of care as prudent managers to

After amendment	Pre-amendment contents
When an <u>underlying matter</u> at a given board of directors meeting concerns the personal interest of or the interest of the juristic person represented by any of the Company's directors, supervisors, managers or other stakeholders attending or present at board meetings, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. <u>Where the spouse, a blood relative within the second degree of kinship of a director or of any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.</u> (Omitted)	supervise and prevent dishonest conducts, while constantly reviewing performance to ensure ongoing improvement and sound execution of integrity policy. When a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the Company's directors, supervisors, managers, and other stakeholders attending or present at board meetings, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings. (Omitted)
12. Special Unit in Charge of Confidentiality Regime and its Responsibilities: The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's intellectual properties, such as the trade secrets, trademarks, patents and copyrights. It shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures. All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding <u>paragraph</u> and may not disclose to any other party any trade secrets, trademarks, patents, works and other intellectual properties of the Company of which they have learned nor they may inquire about or collect any trade secrets, trademarks, patents, works and other intellectual	12. Special Unit in Charge of Confidentiality Regime and its Responsibilities: The Company shall set up a special unit for trade secrets charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's intellectual properties, such as the trade secrets, trademarks, patents and copyrights. It shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures. 13. Prohibition Against Disclosure of Trade Secrets: All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding article and may not disclose to any other party any trade secrets, trademarks, patents, works and other intellectual properties of the Company of which they have learned nor they

After amendment	Pre-amendment contents
properties of the Company unrelated to their individual duties.	may inquire about or collect any trade secrets, trademarks, patents, works and other intellectual properties of the Company unrelated to their individual duties.
<u>13. Prohibition Against Insider Trading and the Non-disclosure Agreement:</u> All Company personnel shall adhere to the provisions of the Securities and Exchange Act and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading. Any organization or person outside of the Company that is involved in any merger, de-merger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secrets or other material information of the Company acquired as a result and that they may not use such information without the prior consent of the Company.	<u>14. Prohibition Against Insider Trading:</u> All Company personnel shall adhere to the provisions of the Securities and Exchange Act and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading. 15. Non-disclosure Agreement: Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secrets or other material information of the Company acquired as a result and that they may not use such information without the prior consent of the Company.
<u>14. Prohibition Against Engaging in Unfair Competitive Practices:</u> (Omitted)	<u>16. Prohibition Against Unfair Competitive Practices:</u> (Omitted)
<u>15. Preventing Product or Service Damage to Stakeholders:</u> (Paragraph 1 is omitted.) (Paragraph 2 is omitted.) Where there are media reports or <u>sufficient</u> facts to <u>determine</u> that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders and <u>it is within the scope of responsibility borne by the Company specified in the "Service terms," "Disclaimer" and "Privacy Statement" of the Company website</u>, the Company shall recall those products or suspend the services <u>within 14 workdays</u>, verify the facts and present a review and improvement plan. (Paragraph 4 is omitted.)	<u>17. Preventing Product or Service Damage to Stakeholders:</u> (Paragraph 1 is omitted.) (Paragraph 2 is omitted.) Where there are media reports or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall recall those products or suspend the services immediately, verify the facts and present a review and improvement plan. (Paragraph 4 is omitted.)
<u>16. Compliance and Announcement of Policy of Ethical Management:</u>	18. Announcement of Policy of Ethical Management to Outside Parties:

After amendment	Pre-amendment contents
<u>The Company shall require the directors and the senior management to issue a statement of compliance for the ethical management policy and require the employees to comply with the ethical management policy in the employment terms and conditions.</u> The Company shall disclose the <u>established</u> ethical management policy in the internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as <u>product launches</u> and investor press conferences, in order to make the <u>suppliers, customers</u> and other business-related institutions and personnel fully aware of the principles and rules of the Company with respect to ethical management.	The Company shall disclose the policy of ethical management in the internal rules, annual reports, on the company's websites and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as investor press conferences, in order to make the partners and other business-related institutions and personnel fully aware of the principles and rules of the Company with respect to ethical management.
<u>17. Ethical Management Evaluation Prior to Development of Commercial Relationships:</u> Before establishing a business relationship with another party, the Company shall first evaluate the legitimacy and ethical management policy of the <u>distributors, suppliers, customers or other business</u> counterparties and whether the party has a record of involvement in unethical conduct to ensure <u>its</u> business conduct is in a fair and transparent manner without any requesting, offering, or taking bribes. (Omitted)	19. Ethical Management Evaluation Prior to Development of Commercial Relationships: Before establishing a business relationship with another party, the Company shall first evaluate the legitimacy and ethical management policy and whether the party has a record of involvement in unethical conduct to ensure that the counterparty conducts business in a fair and transparent manner without requesting, offering, or taking bribes. (Omitted)
<u>18. Statement of Ethical Management Policy to Counterparties in Commercial Dealings:</u> (Omitted)	20. Statement of Ethical Management Policy to Counterparties in Commercial Dealings: (Omitted)
<u>19. Avoidance of Commercial Dealings with Unethical Operators:</u> All personnel of the Company shall avoid business transactions with an distributor, supplier, customer, or other counterparties in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to engage in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction to implement the ethical management policy of the Company.	21. Avoidance of Commercial Dealings with Unethical Operators: All personnel of the Company shall avoid business transactions with an distributor, supplier, customer, or other counterparties in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to engage in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction to implement the ethical management policy of the Company.
<u>20. Stipulation of Terms of Ethical Management in Contracts:</u> (Omitted)	22. Stipulation of Terms of Ethical Management in Contracts: (Omitted)
<u>21. Handling of Unethical Conduct by Personnel</u>	23. Handling of Unethical Conduct by Personnel

After amendment	Pre-amendment contents
of the Company: (Paragraph 1 is omitted.) The Company shall internally establish and publicly announce an independent internal mailbox and hotline for whistle-blowing on the website and the intranet or commission an independent external institution to provide a whistle-blowing mailbox and hotline for the insiders and outsiders of the Company. A whistleblower shall at least furnish the following information: (1) The whistleblower's name and I.D. number <u>or anonymous. Also provide</u> the address, telephone number and e-mail address where the whistleblower can be reached. (Item 2 is omitted.) (Item 3 is omitted.) (Paragraph 3 is omitted.) The responsible unit of the Company <u>shall</u> observe the following procedure to handle <u>the whistleblowing case</u>: (Item 1 is omitted.) (Item 2 is omitted.) (3) If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will <u>report to the competent authority and judiciary for investigation or</u> institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. (Item 4 is omitted.) (Item 5 is omitted.) (Item 6 is omitted.)	of the Company: (Paragraph 1 is omitted.) The Company shall internally establish and publicly announce an independent internal mailbox and hotline for whistle-blowing on the website and the intranet or commission an independent external institution to provide a whistle-blowing mailbox and hotline for the insiders and outsiders of the Company. A whistleblower shall at least furnish the following information: (1) The whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached. (Item 2 is omitted.) (Item 3 is omitted.) (Paragraph 3 is omitted.) Also, the responsible unit of the Company shall observe the following procedures for handling: (Item 1 is omitted.) (Item 2 is omitted.) (3) If a person being informed about is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. (Item 4 is omitted.) (Item 5 is omitted.) (Item 6 is omitted.)
<u>22. Actions on Events of Unethical Conduct by Others towards the Company:</u> (Omitted)	<u>24. Actions on Events of Unethical Conduct by Others towards the Company:</u> (Omitted)
<u>23. Internal Promotion, Establishment of a System for Rewards, Penalties and Complaints and Disciplinary Measures:</u> (Omitted)	<u>25. Establishment of a System for Rewards, Penalties and Complaints and Disciplinary Measures:</u> (Omitted)

Attachment 4. Comparison Table of Amendments to the “Ethical Corporate Management Best Practice Principles”

Chapter	After amendment	Pre-amendment contents
4. Compliance:	The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM Listing rules or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.	The Company shall comply with the laws and regulations of its country of registration, the ROC Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM Listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.
5. Policies:	The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies <u>approved by the Board of Directors</u> on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.	The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.
6. Preventions:	The Company shall in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (hereinafter referred to as “prevention solutions”), including operating procedures, guidelines and training. The Company’s prevention solutions shall comply with the laws of the locations in which the Company and the group members operate. In the course of developing the prevention solutions, the Company shall communicate with the employee, labor unions members, important trading counterparties, or other stakeholders.	The Company shall in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (hereinafter referred to as “prevention solutions”), including operating procedures, guidelines and training. The Company’s prevention solutions shall comply with the laws of the locations in which the Company and their group members operate. In the course of developing the prevention solutions, the Company shall communicate with the employee, labor unions members, important trading counterparties, or other stakeholders.
7. Scope of Preventive Solutions:	For the risk of unethical conduct, the Company shall <u>establish the assessment mechanism and regularly analyze and assess the business activities within their business scope</u>	When developing preventive solutions, the Company shall analyze the business activities within their business scope which are possibly at a higher risk of being involved in an unethical

Chapter	After amendment	Pre-amendment contents
	<u>which are possibly at a higher risk of being involved in an unethical conduct to establish preventive solutions and review the adequacy and effectiveness of the solutions on a regular basis.</u> The prevention solutions established by the Company shall <u>refer to standards or guidelines generally used in Taiwan and abroad and</u> at least include the following preventive measures: (1) Omitted. (2) Omitted. (3) Omitted. (4) Omitted. (5) Omitted. (6) Omitted. (7) Omitted.	conduct, and strengthen <u>relevant preventive measures.</u> The prevention solutions established by the Company shall at least include the following preventive measures: (1) Omitted. (2) Omitted. (3) Omitted. (4) Omitted. (5) Omitted. (6) Omitted. (7) Omitted.
8. Commitments and Execution:	<u>The Company shall require the directors and the senior management to issue a statement of compliance for the ethical management policy and require the employees to comply with the ethical management policy in the employment terms and conditions.</u> The Company and group members shall state explicitly in the rules, external documents and <u>the Company website</u> their commitments to business integrity, as well as Board of Directors' and the <u>senior</u> management's commitment to enforcing integrity policies. These commitments need to be reflected accordingly in internal management practices and external commercial activities. <u>The Company shall prepare and preserve the documentation of the ethical management policy specified in Paragraph 1 and 2 and its statement, promise and implementation.</u>	The Company and its group members shall state explicitly in the rules and external documents their commitments to business integrity, as well as board of directors' and the management's commitment to enforcing integrity policies. These commitments need to be reflected accordingly in internal management practices and external commercial activities.
9. Integrity in Commercial Activities:	The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to engaging in commercial transactions, the Company is required to evaluate the legitimacy of the	The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management. Prior to engaging in commercial transactions, the Company is required to evaluate the legitimacy of its

Chapter	After amendment	Pre-amendment contents
	distributors, suppliers, customers and any counterparties, and investigate whether or not any of them are involved in unethical conduct to avoid any dealings with persons so involved. Contracts signed by the Company with distributors, suppliers, customers or other counterparties <u>shall</u> include clauses that requires compliance with ethical corporate management policy and gives the Company the right to terminate or rescind the contract if the counterparty is involved in unethical conduct.	distributors, suppliers, customers and any counterparties, and investigate whether any of them are involved in unethical conduct to avoid any dealings with persons so involved. Contracts signed by the Company with its distributors, suppliers, customers or other counterparties shall include clauses that requires compliance with ethical corporate management policy and gives the Company the right to terminate or rescind the contract if the counterparty is involved in unethical conduct.
10. Prohibition Against Offering and Acceptance of Bribery:	When carrying out business activities, the Company and the directors, supervisors, managers, employees, mandataries, and substantial controllers <u>of the Company</u> may not offer, guarantee, request or accept any form of illegitimate benefits with customers, distributors, contractors, suppliers, government officials or other stakeholders, whether directly or indirectly.	When carrying out business activities, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers may not offer, guarantee, request or accept any form of illegitimate benefits with customers, distributors, contractors, suppliers, government officials or other stakeholders, whether directly or indirectly.
11. Prohibition Against Illegal Political Donations:	Any donations made directly or indirectly to political parties, campaigns or individuals by the Company and the directors, supervisors, managers, employees, mandataries, and substantial controllers <u>of the Company</u> must comply with the Political Donations Act and the Company's internal procedures. These donations cannot be exploited as means of obtaining commercial benefits or advantages.	Any donations made directly or indirectly to political parties, campaigns or individuals by the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers must comply with the Political Donations Act and the Company's internal procedures. These donations cannot be exploited as means of obtaining commercial benefits or advantages.
17. Organization and Responsibilities	The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the duty of care as prudent managers to supervise and prevent unethical conduct, while constantly review the implementation performance and ongoing improvement to ensure the sound execution of ethical management policy.	The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the duty of care as prudent managers to supervise and prevent unethical conduct, while constantly review the implementation performance and ongoing improvement to ensure the sound execution of ethical management policy.

Chapter	After amendment	Pre-amendment contents
	To achieve sound ethical management, the Company shall establish a <u>dedicated unit (President's Office)</u> subject to the Board of Directors <u>with sufficient resources and qualified personnel</u> to be responsible for the establishment and implementation supervision of the ethical management policy and prevention solutions. The Division is in charge of the following matters and report to the Board of Directors on a regular basis <u>(at least once a year)</u>: (1) Omitted. (2) <u>Regular analyzing and assessing the risk of unethical conduct within the business scope to</u> adopt programs to prevent unethical conduct <u>and</u> setting out the standard operating procedures and conduct guidelines with respect to the Company's operations and business in each program. (3) Omitted. (4) Omitted. (5) Omitted. (6) Omitted.	To achieve sound ethical management, the Company shall establish the Management Division subject to the Board of Directors to be responsible for the establishment and implementation supervision of the ethical management policy and prevention solutions. The Division is in charge of the following matters, and report to the Board of Directors on a regular basis: (1) Omitted. (2) Adopting programs to prevent unethical conduct and setting out the standard operating procedures and conduct guidelines with respect to the Company's operations and business in each program. (3) Omitted. (4) Omitted. (5) Omitted. (6) Omitted.
20. Accounting and Internal Control:	The Company shall establish effective accounting system and internal control system for business activities with higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall <u>draft relevant audit plan including the subject, scope, items and frequency of the audit based on the risk assessment result of the unethical conduct to review the compliance of the preventive solutions.</u> The CPA shall be appointed to carry out the audit, and may engage professionals to assist if necessary. <u>The preceding audit result shall be reported to the senior management and the responsible unit of ethical</u>	The Company shall establish effective accounting system and internal control system for business activities with higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results. The internal audit unit of the Company shall periodically examine the Company's compliance with the foregoing systems and prepare audit reports to submit to the Board of Directors. The CPA shall be appointed to carry out the audit, and may engage professionals to assist if necessary.

Chapter	After amendment	Pre-amendment contents
	<u>management and submit to the Board of Director in the form of an audit report.</u>	
22. Whistle-blowing System:	The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: (1) Omitted. (2) The Company shall assign dedicated personnel or unit to handle whistle-blowing. Any whistle-blowing involving a director or senior <u>management</u> shall be escalated to the independent directors or supervisors. The Company shall also establish categories of the whistle-blowing and standard operating procedures for the investigation. <u>(3) After the completion of the established whistle-blowing investigation procedure, the Company will take the following actions depending on the severity and report to the component authority or the judiciary when necessary.</u> (4) Omitted. (5) Confidentiality of the identity of whistle-blowers and the content of reported cases. <u>Also, anonymous whistle-blowing is permitted.</u> (6) Omitted. (7) Omitted. When material misconduct or likelihood of material impairment to the Company's awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing shall immediately prepare a report and notify the independent directors or supervisors in written form.	The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: (1) Omitted. (2) The Company shall assign dedicated personnel or unit to handle whistle-blowing. Any whistle-blowing involving a director or senior supervisor shall be escalated to the independent directors or supervisors. The Company shall also establish categories of the whistle-blowing and standard operating procedures for the investigation. (3) Omitted. (4) Confidentiality of the identity of whistle-blowers and the content of reported cases. (5) Omitted. (6) Omitted. When material misconduct or likelihood of material impairment to the Company's awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing shall immediately prepare a report and notify the independent directors or supervisors in written form.
24. Information Disclosure:	The Company shall collect quantitative data about the promotion of ethical management, continuously analyze and assess the effectiveness of the promotion of ethical management policy and disclose the measures <u>of the</u>	The Company shall collect quantitative data about the promotion of ethical management, continuously analyze and assess the effectiveness of the promotion of ethical management policy and disclose the measures for

Chapter	After amendment	Pre-amendment contents
	<u>Company</u> for implementing ethical corporate management, the status of implementation, the foregoing quantitative data and the effectiveness of promotion on the Company website, annual report and prospectus. The Company also shall disclose <u>the</u> Principles on the Market Observation Post System.	implementing ethical corporate management, the status of implementation, the foregoing quantitative data and the effectiveness of promotion on the Company website, annual report and prospectus. The Company also shall disclose the Ethical Corporate Management Best Practice Principles on the Market Observation Post System.
26. Additional Rules:	The principles shall be implemented upon approval from the Board of Directors, and are submitted to the supervisors and the shareholders' meeting. The same apply to subsequent amendments. When submitting <u>the</u> Principles for discussion by the Board of Directors pursuant to the preceding paragraph, the Company shall fully consider the opinions of the independent directors. All objections and reserved opinions expressed by independent directors must be detailed in the board meeting minutes. If the independent director is unable to express objections or reservations in person during the Board of Directors meeting, they shall issue a written opinion in advance, which shall be recorded in the meeting minutes, unless there is some legitimate reason to do otherwise. <u>Matters that are not specified in the Rules shall be handled in accordance with relevant laws and regulations.</u>	The principles shall be implemented upon approval from the Board of Directors, and are submitted to the supervisors and the shareholders' meeting. The same apply to subsequent amendments. Matters that are not specified in the Rules shall be handled in accordance with relevant laws and regulations. The Company has established the independent directors. When submitting the Ethical Corporate Management Best Practice Principles for discussion by the Board of Directors pursuant to the preceding paragraph, the Company shall fully consider the opinions of the independent directors. All objections and reserved opinions expressed by independent directors must be detailed in the board meeting minutes. If the independent director is unable to express objections or reservations in person during the Board of Directors meeting, they shall issue a written opinion in advance, which shall be recorded in the meeting minutes, unless there is some legitimate reason to do otherwise.

Attachment 5. CPA Audit and 2019 Financial Statement of the Company

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Addcn Technology Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to note 4(o) for the accounting policy of "Revenue" and note 6(u) for composition of revenue.

Description of key audit matter:

Sales Revenue of the Group is mainly generated from operating online platforms. The way of revenue recognition varies by different types of transactions and its economic substances. Also, there is a large quantity of transactions through the online platforms day-by-day with system-controlled trading information and procedures.

Therefore, transaction information and the timing of revenue recognition is an important issue in our audit of the consolidated financial statements.

How the matter was addressed in our audit:

Our principal audit procedures included: understanding trading models of each online platform and its principal system-based application control and manual control, including involving IRM specialist in testing the general information technology environment and related application control of their main transaction processes; obtaining the monthly income statement generated by the system of online platforms, assessing whether the system processes transaction information appropriately, and inspecting some samples of accounting vouchers to see if they agree with the monthly income statement generated by the system.

Other Matter

Addcn Technology Co., Ltd. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2019 and 2018, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chien Chen and Yung-Hua Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2020

(Expressed in Thousands of New Taiwan Dollars)

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Adden Technology Co., Ltd. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2019		2018	
	Amount	%	Amount	%
4000 Operating revenue (note 6(u) and 7)	\$ 1,468,031	100	1,478,744	100
5000 Operating costs (note 6(e))	<u>312,933</u>	<u>21</u>	<u>308,567</u>	<u>21</u>
5900 Gross profit from operations	<u>1,155,098</u>	<u>79</u>	<u>1,170,177</u>	<u>79</u>
6000 Operating expenses (note 6(d)(p)(v) and 7):				
6100 Selling expenses	176,924	12	176,472	12
6200 Administrative expenses	202,597	14	199,392	13
6300 Research and development expenses	45,654	3	54,862	4
6450 Impairment loss determined in accordance with IFRS 9	<u>12,781</u>	<u>1</u>	<u>11,191</u>	<u>1</u>
Total operating expenses	<u>437,956</u>	<u>30</u>	<u>441,917</u>	<u>30</u>
6900 Net operating income	<u>717,142</u>	<u>49</u>	<u>728,260</u>	<u>49</u>
Non-operating income and expenses:				
7010 Other income (note 6(w) and 7)	20,221	1	25,411	2
7020 Other gains and losses, net (note 6(h)(w))	1,098	-	(136)	-
7050 Finance costs (note 6(w))	(289)	-	-	-
7375 Share of profit of associates accounted for using equity method (note 6(f))	<u>17,382</u>	<u>1</u>	<u>118</u>	<u>-</u>
Total non-operating income and expenses	<u>38,412</u>	<u>2</u>	<u>25,393</u>	<u>2</u>
Profit before income tax	<u>755,554</u>	<u>51</u>	<u>753,653</u>	<u>51</u>
7951 Less: income tax expenses (note 6(q))	<u>154,702</u>	<u>11</u>	<u>147,849</u>	<u>10</u>
Profit	<u>600,852</u>	<u>40</u>	<u>605,804</u>	<u>41</u>
8300 Other comprehensive income:				
8310 Items that will not be reclassified subsequently to profit or loss				
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(743)	-	(66,729)	(5)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(743)</u>	<u>-</u>	<u>(66,729)</u>	<u>(5)</u>
8360 Items that will be reclassified subsequently to profit or loss				
8361 Exchange differences on translation	(23,094)	(1)	(12,156)	(1)
8367 Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	39	-	(2,919)	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(23,055)</u>	<u>(1)</u>	<u>(15,075)</u>	<u>(1)</u>
8300 Other comprehensive income	<u>(23,798)</u>	<u>(1)</u>	<u>(81,804)</u>	<u>(6)</u>
Total comprehensive income	<u>\$ 577,054</u>	<u>39</u>	<u>\$ 524,000</u>	<u>35</u>
Profit attributable to:				
8610 Owners of parent	\$ 601,159	40	595,540	40
8620 Non-controlling interests	<u>(307)</u>	<u>-</u>	<u>10,264</u>	<u>1</u>
	<u>\$ 600,852</u>	<u>40</u>	<u>\$ 605,804</u>	<u>41</u>
Comprehensive income attributable to:				
8710 Owners of parent	\$ 577,660	39	514,395	35
8720 Non-controlling interests	<u>(606)</u>	<u>-</u>	<u>9,605</u>	<u>-</u>
	<u>\$ 577,054</u>	<u>39</u>	<u>\$ 524,000</u>	<u>35</u>
Basic earnings per share (NT dollars) (note 6(t))	<u>\$ 14.14</u>		<u>\$ 14.04</u>	
Diluted earnings per share (NT dollars) (note 6(t))	<u>\$ 14.04</u>		<u>\$ 13.93</u>	

Consolidated Statements of Changes in Equity
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

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(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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from operating activities:		
Profit before tax	\$ 755,554	917,141
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	37,203	28,523
Amortization expense	9,726	9,458
Expected credit loss	12,781	11,191
Net gain on financial assets at fair value through profit or loss	(189)	-
Interest expense	289	-
Interest income	(4,919)	(6,117)
Dividend income	(1,478)	(400)
Share-based payments	3,194	19,308
Share of profit of associates accounted for using equity method	(17,382)	(118)
Loss on disposal of property, plan and equipment	206	41
Property, plan and equipment transferred to expenses	-	5
Gain on disposal of investments	(545)	(240)
Gain on disposal of investments accounted for using equity method	-	(1,681)
Unrealized foreign exchange loss (gain)	1,199	(55)
Gain on price recovery of inventory	-	(5,700)
Total adjustments to reconcile profit	40,085	54,215
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and trade receivable	19,907	(16,008)
Trade receivable due from related parties	(43,996)	(20,781)
Inventories	9,716	10,479
Other current assets	4,606	5,369
Other financial assets	7,105	9,659
Total changes in operating assets	(2,662)	(11,282)
Changes in operating liabilities:		
Notes payable and trade payable	(3,508)	(2,137)
Trade payable to related parties	-	17,787
Other payable	(4,505)	(51,776)
Other payable to related parties	(6,667)	6,962
Contract liabilities	12,237	15,603
Other current liabilities	(2,661)	(644)
Receipts under custody	(153)	27,976
Total changes in operating liabilities	(5,257)	13,771
Total changes in operating assets and liabilities	(7,919)	2,489
Total adjustments	32,166	56,704

(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, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash inflow generated from operations	787,720	973,845
Interest received	4,688	6,152
Interest paid	(289)	-
Income taxes paid	(149,273)	(140,564)
Net cash flows from operating activities	642,846	839,433
Cash flows (used in) from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(68,497)	(67,073)
Proceeds from disposal of financial assets at fair value through other comprehensive income	56,177	10,288
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	17,658	-
Acquisition of financial assets at fair value through profit or loss	-	(22,340)
Proceeds from disposal of financial assets at fair value through profit or loss	23,000	-
Proceeds from disposal of subsidiaries	-	(25,955)
Acquisition of property, plant and equipment	(95,974)	(17,683)
Proceeds from disposal of property, plant and equipment	82	-
(Increase) decrease in refundable deposits	(200)	177
Acquisition of intangible assets	(662)	(1,942)
Acquisition of investment properties	(4,359)	(66,463)
(Increase) decrease in other financial assets	(28,933)	226,239
Increase in other non-current assets	(21,550)	-
Dividends received	8,697	400
Net cash flows (used in) from investing activities	(114,561)	35,648
Cash flows used in financing activities:		
Increase in guarantee deposits received	4,551	4,200
Payment of lease liabilities	(4,151)	-
Cash dividends paid	(532,237)	(659,998)
Change in non-controlling interests	-	(2,742)
Net cash flows used in financing activities	(531,837)	(658,540)
Effect of exchange rate changes on cash and cash equivalents	(6,512)	(1,251)
Net increase (decrease) in cash and cash equivalents	(10,064)	51,802
Cash and cash equivalents at beginning of period	680,165	628,363
Cash and cash equivalents at end of period	\$ 670,101	680,165

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Addcn Technology Co., Ltd. ("the Company"), which comprise the balance sheet as of December 31, 2019 and 2018, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to note 4(o) for the accounting policy of revenue and note 6(u) for composition of revenue.

Description of key audit matter:

Sales Revenue of the Company is mainly generated from operating online platforms. The way of revenue recognition varies by different types of transactions and its economic substances. Also, there is a large quantity of transactions through the online platforms day-by-day with system-controlled trading information and procedures.

Therefore, transaction information and the timing of revenue recognition is an important issue in our audit of the consolidated financial statements.

How the matter was addressed with our audit:

Our principal audit procedures included: understanding trading models of each online platform and its principal system-based application control and manual control, including involving IRM specialist in testing the general information technology environment and related application control of their main transaction processes; obtaining the monthly income statement generated by the system of online platforms, assessing whether the system processes transaction information appropriately, and inspecting some samples of accounting vouchers to see if they agree with the monthly income statement generated by the system.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chien Chen and Yung-Hua Huang.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2020

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Adden Technology Co., Ltd.

Balance Sheets

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2019		December 31, 2018			December 31, 2019		December 31, 2018	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
Current assets:					Liabilities and Equity				
1100 Cash and cash equivalents (note 6(a))	\$ 458,769	17	481,736	19	2151 Notes payable and trade payable	\$ 14	-	3,711	-
1170 Notes and trade receivable, net (note 6(c))	82,708	3	115,853	4	2180 Trade payable to related parties (note 7)	76,535	3	68,786	3
1181 Trade receivable due from related parties (note 7)	64,821	2	20,781	1	2200 Other payables (note 6(n) and 7)	183,441	7	191,803	8
130X Inventories (note 6(d))	-	-	9,716	-	2131 Contract liabilities (note 6(n))	196,687	7	184,470	7
1476 Other current financial assets (note 6(f), 7 and 8)	546,760	21	534,408	21	2335 Receipts under custody (note 6(n))	414,788	16	417,101	16
1479 Other current assets, others (note 6(m))	5,654	-	11,316	-	Other current liabilities, others	3,347	-	3,249	-
	<u>1,138,712</u>	<u>43</u>	<u>1,173,810</u>	<u>45</u>		<u>874,812</u>	<u>33</u>	<u>869,120</u>	<u>34</u>
Non-current assets:					Non-Current liabilities:				
1518 Equity investment at fair value through other comprehensive income (note 6(b))	123,612	5	103,521	4	2645 Guarantee deposits received	36,331	1	31,781	1
1521 Debt investment at fair value through other comprehensive income (note 6(b))	32,056	1	70,351	3	2670 Other non-current liabilities, others	7,564	-	13	-
						<u>43,895</u>	<u>1</u>	<u>31,794</u>	<u>1</u>
1550 Investments accounted for using equity method (note 6(e))	801,956	30	771,478	30	Total liabilities	<u>918,707</u>	<u>34</u>	<u>900,914</u>	<u>35</u>
1600 Property, plant and equipment (note 6(h))	319,884	12	230,895	9	Equity attributable to owners of parent (note 6(r)(s)):				
1760 Investment property, net (note 6(j))	107,401	4	119,187	4	Ordinary share	425,755	16	425,790	16
1780 Intangible assets (note 6(k))	100,736	4	109,855	4	Capital surplus	341,866	13	421,815	16
1840 Deferred tax assets (note 6(q))	14,497	1	23,495	1	Retained earnings	1,207,146	45	1,057,324	41
1995 Other non-current assets, others (note 6(m))	10,844	-	696	-	Other equity interest	(223,776)	(8)	(202,555)	(8)
	<u>1,510,986</u>	<u>57</u>	<u>1,429,478</u>	<u>55</u>	Total equity	<u>1,750,991</u>	<u>66</u>	<u>1,702,374</u>	<u>65</u>
Total assets	<u>\$ 2,669,698</u>	<u>100</u>	<u>\$ 2,603,288</u>	<u>100</u>	Total liabilities and equity	<u>\$ 2,669,698</u>	<u>100</u>	<u>\$ 2,603,288</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Addcn Technology Co., Ltd.
Statements of Comprehensive Income
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars , except for earnings per share)

		2019		2018	
		Amount	%	Amount	%
4100	Operating revenues (note 6(u) and 7)	\$ 1,413,137	100	1,417,973	100
5000	Operating costs (note 6(d) and 7)	365,453	26	347,557	25
5900	Gross profit from operations	1,047,684	74	1,070,416	75
6000	Operating expenses (note 6(c)(k)(o)(p)(s)(v) and 7):				
6100	Selling expenses	159,705	12	209,453	15
6200	Administrative expenses	130,573	9	121,645	9
6300	Research and development expenses	45,655	3	54,862	4
6450	Impairment loss determined in accordance with IFRS 9	12,781	1	11,191	1
	Total operating expenses	348,714	25	397,151	29
6900	Net operating income	698,970	49	673,265	46
	Non-operating income and expenses:				
7010	Other income(note 6(w) and 7)	19,270	2	30,921	2
7020	Other gains and losses, net (note 6(w) and 7)	1,616	-	1,550	-
7050	Finance costs, net (note 6(w))	(260)	-	-	-
7375	Share of profit of associates accounted for using equity method (note 6(e))	31,326	2	27,851	2
	Total non-operating income and expenses	51,952	4	60,322	4
	Profit from continuing operations before tax	750,922	53	733,587	50
7950	Less: Income tax expenses (note 6(q))	149,763	10	138,047	10
	Profit from discontinued operation :				
	Profit	601,159	43	595,540	40
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(29,909)	(2)	(69,159)	(5)
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	29,166	2	2,430	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		(743)	-	(66,729)	(5)
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(22,795)	(2)	(11,497)	(1)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	39	-	(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	(22,756)	(2)	(14,416)	(1)
8300	Other comprehensive income	(23,499)	(2)	(81,145)	(6)
	Total comprehensive income	\$ 577,660	41	\$ 514,395	34
	Basic earnings per share (NT dollars) (note 6(t))	\$ 14.14		\$ 14.04	
	Diluted earnings per share (NT dollars) (note 6(t))	\$ 14.04		\$ 13.93	

(English Translation of Parent Company Only Financial Statements: Originally Issued in Chinese)
Adden Technology Co., Ltd.

Statements of Changes in Equity

For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

Share capital		Retained earnings				Other equity						
		Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Unearned compensation	Total other equity interest	Total equity
Ordinary shares												
\$	425,805	566,585	280,758	58,329	639,403	978,490	(69,437)	-	(52,143)	(15,487)	(137,067)	1,833,813
-	-	-	-	-	-	-	-	(49,695)	52,143	-	2,448	2,448
425,805	566,585	280,758	58,329	58,329	639,403	978,490	(69,437)	(49,695)	-	(15,487)	(134,619)	1,836,261
-	-	-	63,438	-	(63,438)	-	-	-	-	-	-	-
-	-	-	-	63,253	(63,253)	-	-	-	-	-	-	-
-	-	-	-	-	(510,966)	(510,966)	-	-	-	-	-	(510,966)
-	-	-	63,438	63,253	(637,657)	(510,966)	-	-	-	-	-	(510,966)
-	-	-	-	-	595,540	595,540	-	-	-	-	-	595,540
-	-	-	-	-	-	-	(11,497)	(69,648)	-	-	(81,145)	(81,145)
-	-	-	-	-	595,540	595,540	(11,497)	(69,648)	-	-	(81,145)	514,395
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	641	-	-	-	-	-	-	-	-	-	641
-	-	(149,032)	-	-	-	-	-	-	-	-	-	(149,032)
-	-	-	-	-	(5,740)	(5,740)	-	-	-	-	-	(5,740)
-	-	3,905	-	-	-	-	-	-	-	12,910	12,910	16,815
(15)	(384)	-	-	-	-	-	-	-	-	299	299	-
425,790	421,815	344,196	121,582	121,582	591,546	1,057,324	(80,934)	(119,343)	-	(2,278)	(202,555)	1,702,374
-	-	59,155	-	-	(59,155)	-	-	-	-	-	-	-
-	-	-	78,696	78,696	(78,696)	-	-	-	-	-	-	-
-	-	-	-	-	(451,337)	(451,337)	-	-	-	-	-	(451,337)
-	-	59,155	78,696	78,696	(589,188)	(451,337)	-	-	-	-	-	(451,337)
-	-	-	-	-	601,159	601,159	-	-	-	-	-	601,159
-	-	-	-	-	-	-	(22,795)	(704)	-	-	(23,499)	(23,499)
-	-	-	-	-	601,159	601,159	(22,795)	(704)	-	-	(23,499)	577,660
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	(80,900)	-	-	-	-	-	-	-	-	-	(80,900)
-	-	916	-	-	-	-	-	-	-	2,278	2,278	3,194
(35)	35	-	-	-	-	-	-	-	-	-	-	-
\$	425,755	341,866	403,351	200,278	603,517	1,207,146	(103,729)	(120,047)	-	-	(223,776)	1,750,991

Balance on January 1, 2018

Effects of retrospective application

Balance on January 1, 2018 after adjustment

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

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

Other changes in capital surplus:

Changes in equity of associates accounted for using equity method

Cash dividends from capital surplus

Changes in ownership interest in subsidiaries

Share-based payments

Retirement of restricted employee stock

Balance on December 31, 2018

Appropriation and distribution of retained earnings:

Legal reserve appropriated

Special reserve appropriated

Cash dividends of ordinary share

Profit for the year ended December 31, 2019

Other comprehensive income for the year ended December 31, 2019

Total comprehensive income for the year ended December 31, 2019

Other changes in capital surplus:

Cash dividends from capital surplus

Share-based payments

Retirement of restricted employee stock

Balance on December 31, 2019

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

Addcn Technology Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from operating activities:		
Profit before tax	\$ 750,922	733,587
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	21,523	14,288
Amortization expense	9,317	9,171
Expected credit loss	12,781	11,191
Interest expense	260	-
Interest income	(3,665)	(4,694)
Dividend income	(1,478)	(400)
Share-based payments transactions	3,194	16,815
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(31,326)	(27,851)
Loss on disposal of property, plant and equipment	-	(23)
Gain on disposal of investments	(545)	(240)
Gain on disposal of investments accounted for using equity method	-	(1,681)
Unrealized foreign exchange loss (gain)	1,199	(56)
Gain from price recovery of inventory	-	(5,700)
Total adjustments to reconcile profit	11,260	10,820
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	20,364	(697)
Trade receivable due from related parties	(44,040)	-
Inventories	9,716	10,479
Prepayments	6,694	(5,679)
Other current assets	(935)	19,844
Other financial assets	(424)	1,322
Total changes in operating assets	(8,625)	25,269
Changes in operating liabilities:		
Notes and accounts payable	(3,697)	(2,139)
Accounts payable to related parties	7,749	96
Other payable	2,094	201
Other payable to related parties	(6,561)	6,962
Contract liabilities	12,217	6,936
Other current liabilities	(2,696)	(66)
Receipts under custody	(2,313)	17,702
Total changes in operating liabilities	6,793	29,692
Total changes in operating assets and liabilities	(1,832)	54,961
Total adjustments	9,428	65,781

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
Addcn Technology Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash inflow generated from operations	760,350	799,368
Interest received	3,667	4,728
Interest paid	(260)	-
Income taxes paid	(144,592)	(131,218)
Net cash flows from operating activities	<u>619,165</u>	<u>672,878</u>
Cash flows (used in) from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(68,497)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	56,177	10,288
Acquisition of investments accounted for using equity method	-	(69,012)
Acquisition of property, plant and equipment	(91,637)	(12,938)
Proceeds from disposal of property, plant and equipment	-	28
Decrease in refundable deposits	68	349
Acquisition of intangible assets	(198)	(939)
Acquisition of investment properties	(4,359)	(66,463)
(Increase) decrease in other financial assets	(11,930)	226,219
Dividends received	8,697	6,269
Net cash flows (used in) from investing activities	<u>(111,679)</u>	<u>93,801</u>
Cash flows used in financing activities:		
Increase in guarantee deposits received	4,550	4,200
Payment of lease liabilities	(2,766)	-
Cash dividends paid	(532,237)	(659,998)
Net cash flows used in financing activities	<u>(530,453)</u>	<u>(655,798)</u>
Net (decrease) increase in cash and cash equivalents	(22,967)	110,881
Cash and cash equivalents at beginning of period	<u>481,736</u>	<u>370,855</u>
Cash and cash equivalents at end of period	<u>\$ 458,769</u>	<u>481,736</u>

Attachment 6. 2019 Surplus Earning Distribution Table

ADDcn Technology Co., Ltd. 2019 Surplus Earning Distribution Table

Unit: NT\$ dollars

Item	Amount
Unappropriated retained earnings at beginning of the term	\$2,359,319
Add: Net profit after tax in 2019	\$601,156,740
Less: Appropriated as legal reserve (10%)	(\$60,115,674)
Less: Special reserves	(\$23,498,273)
Total current distributable net profit	\$519,902,112
Distributable items	
Dividends -- Cash (NT\$ 12.2 per share)	(\$519,421,100)
Unappropriated retained earnings at the end of the period	\$481,012

Chairman:

Managerial officer:

Chief Accountant:

Attachment 7. Comparison Table of Amendment to the “Articles of Incorporation”

Chapter	After amendment	Pre-amendment contents
Chapter II Shares of Stock		
Article 7:	The Company shall assign its share certificates with serial numbers. The stocks shall be registered and the share certificates shall be affixed with the signatures or personal seals of <u>the director representing the Company</u> and shall be duly certified or authenticated in accordance with the laws before issuance thereof. After publicly issuing the shares, 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.	The Company shall assign its share certificates with serial numbers. The stocks shall be registered and the share certificates shall be affixed with the signatures or personal seals of more than three (3) directors and shall be duly certified or authenticated in accordance with the laws before issuance thereof. After publicly issuing the shares, 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.
Chapter IV Directors and Supervisors		
Article 14:	The Company shall establish 5 to 7 seats of directors and 1 to 3 seats of supervisors. <u>The candidates nomination system is adopted according to the Company Act.</u> The shareholders <u>shall elect the directors from among the nominees listed in the roster of director candidates.</u> Directors and supervisors shall have tenure of 3 years and may be assume a second term of office if reelected.	The Company shall establish 5 to 7 seats of directors and 1 to 3 seats of supervisors, who shall be persons of legal competent and elected by the shareholders. Directors and supervisors shall have tenure of 3 years and may be assume a second term of office if reelected. The minimum total registered shares owned by all directors and supervisors of the public Company shall be in accordance with the regulations in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.”
Article 14-1:	Of all the seats of directors as mentioned there shall be at least two (2) seats of independent directors, and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The professional qualification, quantity of shareholding, limitation of job position, methods of nomination and other issues for compliance shall be handled in accordance with the requirements of the competent authority of securities.	Of all the seats of directors as mentioned there shall be at least two (2) seats of independent directors, and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The independent director shall be elected using the candidates’ nomination system according to Article 192-1 of the Company Act. The professional qualification, quantity of shareholding, limitation of job position, methods of nomination and election and other issues for compliance shall be handled in accordance with the requirements of the competent authority of securities.

Chapter	After amendment	Pre-amendment contents
	Independent directors and directors are elected at the same time but with the elected seats counted separately. When the number of independent directors falls below the required number due to the dismissal of a director for any reason, the Company shall hold a re-election at the next following shareholders' meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders' meeting to hold a re-election within 60 days from the date on which the fact occurred.	Independent directors and directors are elected at the same time but with the elected seats counted separately. When the number of independent directors falls below the required number due to the dismissal of a director for any reason, the Company shall hold a re-election at the next following shareholders' meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders' meeting to hold a re-election within 60 days from the date on which the fact occurred.
Article 14-2:	Election of the Company's directors and supervisors shall proceed using the cumulative voting system. Each share shall be empowered with voting rights equal to the number of elected seats for directors or supervisors. These voting rights may be concentrated on one candidate or spread across multiple candidates. Where the method shall be amended as necessary, the implementation shall be in compliance with Article 172 of the Company Act, and the major part shall be explained in the notice to convene a shareholders' meeting.	Election of the Company's directors and supervisors shall proceed using the cumulative single-registered voting system. Each share shall be empowered with voting rights equal to the number of elected seats for directors or supervisors. These voting rights may be concentrated on one candidate or spread across multiple candidates. Where the method shall be amended as necessary, the implementation shall be in compliance with Article 172 of the Company Act, and the major part shall be explained in the notice to convene a shareholders' meeting.
Chapter VII Supplementary Provisions		
Article 23:	The Articles of Incorporation was established 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 10, 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 Articles of Incorporation was established 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 10, 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.

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	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. The 16th amendment was on June 20, 2019. <u>The 17th amendment was on June 18, 2020.</u>	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. The 16th amendment was on June 20, 2019.

Attachment 8. Comparison Table of Amendment to the “Rules of Procedure for Shareholders Meetings”

After amendment	Pre-amendment contents
2. Scope of Application: The Rules of Procedures for the shareholders meetings of the Company, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be <u>duly handled</u> in accordance with these Rules.	2. Scope of Application: The Rules of Procedures for the shareholders meetings of the Company, except as otherwise provided by the laws, regulations or the articles of incorporation, shall be as provided in these Rules.
3. Responsibility: (1) The board of directors of the Company authorized <u>the President's Office</u> as the “unit in charge of shareholders meeting-related matters.” (2) <u>The unit for shareholders meeting</u> is responsible for informing the shareholders of the shareholders meeting and preparing meeting materials for the shareholders meeting.	3. Responsibility: (1) Unless otherwise provided by law or regulation, this Company's shareholders meetings shall be convened by the board of directors. (2) The board of directors of the Company authorized the Finance Department as the “unit in charge of shareholders meeting-related matters.” (3) The Finance Department is responsible for informing the shareholders on the shareholders meeting and preparing meeting materials for the shareholders meeting.
4. Shareholders meeting <u>convening and meeting</u> notices: (1) <u>Unless otherwise provided by the laws or regulations, the Company's shareholders meetings shall be convened by the board of directors.</u> (2) The Company shall prepare the electronic version of the notice of shareholders meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of Directors and Supervisors, and the motions and causes of motions and upload the aforementioned information to MOPS at least 30 days before a regular session or at least 15 days before a special session. (3) <u>The Company shall</u> prepare the parliamentary procedure handbook and supplementary materials for the meeting in electronic version and upload the information to MOPS at least 21 days before a regular session or 15 days before a special session is scheduled. (4) <u>The Company shall</u> prepare the hard copies of parliamentary procedure handbook and supplementary materials for the meeting and make these materials available at the offices of the Company and the professional share registration agent commissioned by the Company or release the materials on the site of the meeting.	4. Shareholders meeting notices: (1) The Company shall prepare the electronic version of the notice of shareholders meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of Directors and Supervisors, and the motions and causes of motions and upload the aforementioned information to MOPS at least 30 days before a regular session or at least 15 days before a special session. (2)—21 days before the regular session or 15 days before the special session, prepare the hard copies of parliamentary procedure handbook and supplementary materials for the meeting and make these materials available at the offices of the Company and the professional share registration agent commissioned by the Company or release the materials on the site of the meeting. 15 days before the shareholders meetings, prepare the hard copies of parliamentary procedure handbook and supplementary materials for the meeting and make these materials available at the offices of the Company and the professional share registration agent commissioned by the Company, or release the materials on the site of the meeting.

After amendment	Pre-amendment contents
(5) The aforementioned notice and announcement shall contain information on the cause of the session and may be made in electronic form at the consent of the respondents. (6) Motions of election or discharge of Directors, Supervisors, alteration of the Articles of Incorporation, <u>reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares</u>, dissolution, merger, split up of the company or any matters as set forth in Paragraph 1, <u>Article 185 of the Company Act</u>, hereof shall be itemized in the causes or subjects to be described <u>and the essential contents shall be explained</u> in the notice to convene a meeting of shareholders, and shall not be proposed as impromptu motions.; <u>the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.</u> (7) <u>The convention of the shareholders meeting has specified the overall reelection of the directors and the supervisors along with the date on which the shareholders assumed office. After the reelection of the shareholders meeting, the shareholders shall not propose impromptu motion or other method at the same meeting to change the date on which the shareholders assumed office.</u>	(3)—The aforementioned notice and announcement shall contain information on the cause of the session and may be made in electronic form with the consent of the respondents. (4) Motions of election or discharge of Directors, Supervisors, alteration of the Articles of Incorporation, dissolution, merger, split up of the company, or anything as stated in Paragraph 1, Article 185 of the Company Act, Article 26-1, Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be explicitly stated in the cause of calling for the session and cannot be proposed as impromptu motions. (5) For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. (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 the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment. (7) After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to

After amendment	Pre-amendment contents
(8) The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. (9) The time during which shareholder attendance registrations will be <u>accepted</u>, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences.	the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. (8) The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. 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.
<u>5. Appointment of a proxy for the attendance of a shareholders meeting and authorization:</u> <u>(1) For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</u> <u>(2) A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy appointment.</u> <u>(3) After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u>	
<u>6. Calculation of the number of shares represented by the participating shareholders and the meeting:</u> <u>(1) Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares represented by the participating shareholders shall be calculated based on the sign-in book or the submitted sign-in cards, added with the number of shares with voting rights that are exercised in writing or in electronic means.</u> <u>(2) The chair shall call the meeting to order at</u>	<u>5. Time of the shareholders meeting:</u> Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares represented by the participating shareholders shall be calculated based on the sign-in book or the submitted sign-in cards, added with the number of shares with voting rights that are exercised in writing or in electronic means. (1) The chair shall call the meeting when the attending shareholders represent a majority of the total number of issued shares. If the appointed

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the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair <u>may</u> announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour of <u>postponements</u>. In the event that after <u>two postponements</u>, <u>the present shareholders are still less than one-third of the aggregate total of the outstanding shares</u>, the chair may announce the <u>termination of the meeting</u>. (3) <u>If the quorum does not met after two postponements as referred to in the preceding paragraph</u>, but the attending shareholders represent one third or more of the total number of issued shares, attending shareholders may reach a tentat4e resolution pursuant to <u>Paragraph 1, Article 175 of the Company Act</u>. A notice of such tentat4e resolution <u>shall be g4en to each of the shareholders, and reconvene a shareholders meeting within one month</u>. (4) <u>When, prior to conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentat4e resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act</u>.	meeting time has passed but 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 of postponement, may be made. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentat4e resolution may be passed by a majority of those present pursuant to Article 175 of the Company Act. (2) When a tentat4e resolution is made as referred to in the preceding paragraph, if the attending shareholders represent a majority of the total number of issued shares, the chair may call the meeting and resubmit the tentat4e resolution for a vote by the shareholders meeting.
7. Shareholder attendance registration: (1) The Company shall have a place to register for attendance and will set up and prepare the attendance book. 1.The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. 2.The attendance book is for the attending shareholders to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. (2) The Company shall furnish attending shareholders with the parliamentary procedure handbook, annual report, attendance card, speaker's slips, voting slips and other meeting materials; <u>along with the election ballots if the directors and supervisors are to be elected in that event</u>. (3) Shareholders and their proxies (hereinafter referred to collect4ely as “shareholders”) shall attend the shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other	7. Preparation before the meeting: (1) The Company shall have a place to register for attendance and will set up and prepare the attendance book. 1.The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. 2.The attendance book is for the attending shareholders to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. (2) The Company shall furnish attending shareholders with the parliamentary procedure handbook, annual report, attendance card, speaker's slips, voting slips and other meeting materials. (3) Shareholders and their proxies (hereinafter referred to collect4ely as “shareholders”) shall attend the 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

After amendment	Pre-amendment contents
documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. (4) Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting. Where an institutional shareholder may be appointed as a proxy to attend the shareholders meeting, such institutional shareholder may appoint only one representative to the meeting.	soliciting proxy forms shall also bring identification documents for verification. (4) Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting. Where an institutional shareholder may be appointed as a proxy to attend the shareholders meeting, such institutional shareholder may appoint only one representative to the meeting. (5) The Company may appoint the retained Attorney(s) at Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholders meeting.
<u>8. Chair of the meeting and participants:</u> (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 is also on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as 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. <u>(2)</u> When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair. <u>(3)</u> It is advisable that shareholders meetings convened by the board of directors be chaired by the Chairman of the board in person and attended by a majority of the directors, 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 meeting minutes. <u>(4)</u> If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are <u>two</u> or more	<u>7. Chair of the meeting:</u> (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 by the Chairman 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 managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair. It is advisable that shareholders meetings convened by the board of directors be chaired by the Chairman of the board in person and attended by a majority of the directors, 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 meeting minutes. (2) If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall

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such convening parties, they shall mutually select a chair from among themselves. <u>(5) The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholders meeting.</u>	chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
<u>9. Meeting Procedure:</u> <u>(1) If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors and the resolutions of relevant motions (including the impromptu motions and amendments to the original motions) shall be voted one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.</u> <u>(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.</u> <u>(3) The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two arranged paragraphs (including impromptu motions). If the chair declares the meeting adjourned in violation of the rules of procedure, other members in the board of directors shall comply with the legal procedures to promptly help the present shareholders elect one person through a majority vote to continuously chair the meeting.</u> <u>(4) The chair shall grant adequate opportunities for clarification and discussion on an amendment or impromptu motions posed by a shareholder. Upon the time believed to be up for resolution, the chair may announce discontinuation from a discussion and put the issue for resolution.</u> <u>(5) Where directors and supervisors are elected in a shareholders meeting, the election shall be duly conducted in accordance with relevant election regulations of the Company. The outcome of the election, including the names of elected directors and supervisors and the number of election powers so won by them, shall be announced on-the-spot.</u> <u>(6) The ballots for the aforementioned election shall be kept in the box, sealed and signed by the monitoring personnel, and retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the</u>	<u>8. Meeting Procedure:</u> <u>(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.</u> <u>(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.</u> <u>(3) The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including impromptu motions). If the chair declares the meeting adjourned in violation of the rules of procedure, by agreement of a majority of the votes represented by the attending shareholders, the shareholders may continue the meeting.</u> <u>(4) When the meeting is adjourned, except for the matters stated above, shareholders cannot nominate another chair or seek another venue for continuation of the meeting.</u>

After amendment	Pre-amendment contents
<u>conclusion of the litigation.</u>	
10. Notices for proceedings of the meeting: (1) When a meeting is <u>in progress</u>, the chair may <u>announce</u> a break based on time considerations. <u>Upon occurrence of force majeure, the chair may rule a suspension from the meeting and announce the time to resume the meeting as the actual situations may justify.</u> (2) <u>The Company shall continuously record and tape-record the attendance registration of the shareholders since the start of the registration, the process of the meeting and the voting and vote counting process.</u> (3) <u>The video and audio recording as mentioned in the preceding paragraph shall be kept at least for one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</u> (4) Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. (5) <u>The ballots in voting or election process in a shareholders meeting shall be counted in an open manner inside the venue and immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and a record made of the vote.</u> (6) <u>Per Article 182 of the Company Act, the shareholders meeting may resolve a decision to postpone the meeting within 5 days or to continue the process of the meeting.</u>	9. Notices for proceedings of the meeting: (1) When a meeting is in progress, the chair may announce a break based on time considerations. (2) The Company's shareholders meetings must be recorded in video or audio, and kept for at least one 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 this Corporation. (4) Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. (5) If the meeting is not over yet, it may be postponed or resumed within 5 days, without further notice or public announcement, upon resolution of the shareholders' meeting.
11. Speaking of the present shareholders: (1) <u>Before</u> speaking, an attending shareholder must <u>specify on</u> a speaker's slip, the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. (2) A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject g4en on the speaker's slip, the spoken content shall prevail.	10. Speaking of the present shareholders: (1) When speaking, an attending shareholder must fill in and submit a speaker's slip, the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. (2) A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject g4en on the speaker's slip, the spoken content shall prevail.

After amendment	Pre-amendment contents
(3) The speech of the attending shareholders may not be interrupted by other shareholders, unless otherwise with the consent of the chairman and the speaking shareholder. The chairman must stop the offender from speaking. (4) Except with the consent of the chair, an attending shareholder may not speak more than twice on the same proposal and a single speech may not exceed 5 minutes. <u>Where a shareholder speaks in contravention of the rules or beyond the scope of the specified issues, the chair may stop the speaker.</u> (5) When a juristic person shareholder appoints <u>two</u> or more representat⁴es to attend a shareholders meeting, only one of the representat⁴es so appointed may speak on the same proposal. (6) After a present shareholder completes his/her speech, the chair may respond either in person or through a relevant person designated. (7) Where the meeting place may be equipped with sound amplifier equipment, the Chair shall stop any speech del⁴ered by shareholders not using the equipment installed by the company.	(3) The speech of the attending shareholders may not be interrupted by other shareholders, unless otherwise with the consent of the chairman and the speaking shareholder. The chairman must stop the offender from speaking. (4) Except with the consent of the chair, an attending shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. When the time is exceeded, the chair may stop the shareholder from speaking. (5) When a juristic person shareholder appoints two or more representat⁴es to attend a shareholders meeting, only one of the representat⁴es so appointed may speak on the same proposal. (6) After a present shareholder completes his/her speech, the chair may respond either in person or through a relevant person designated. (7) The chair may announce to discontinue further discussions if the topic is considered to have been sufficiently discussed to proceed with the voting. (8) Where the meeting place may be equipped with sound amplifier equipment, the Chairman shall stop any speech del⁴ered by shareholders not using the equipment installed by the company.
<u>12.</u> Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders meeting: Shareholders holding 1% or more of the total outstanding shares of the Company may propose motions in a regular session according to Article 172-1 of the Company Act. The shareholder proposing the motion shall attend the meeting in person or appoint a proxy to attend the meeting and participate in the discussion of the motion.	11. Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders meeting: Shareholders holding 1% or more of the total outstanding shares of the Company may propose motions in a regular session in writing according to Article 172-1 of the Company Act. The shareholder proposing the motion shall attend the meeting in person or appoint a proxy to attend the meeting and participate in the discussion of the motion. If the shareholder's speech violates the agenda or exceeds the scope of the agenda item, the chair may terminate the speech.
<u>13.</u> <u>The principle of time and place of the shareholders meeting:</u> (1) 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	12. Place of the shareholders meeting: The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full

After amendment	Pre-amendment contents
earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be g4en to the opinions of the independent directors with respect to the place and time of the meeting. <u>(2) In the event that the venue for a shareholders meeting could not be continuously used until the issues set under the agenda (including impromptu motions) are concluded, the shareholders meeting may resolve a decision to relocate to another venue to continue the meeting.</u>	consideration shall be g4en to the opinions of the independent directors with respect to the place and time of the meeting.
<u>14. Voting on the motion:</u> <u>(1) A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.</u> <u>(2) The shareholders of the Company may execute their voting rights in electronic means and writing in a session of the shareholders meeting; when the voting rights are to be exercised in writing or electronic means, such means of exercise shall be expressly provided in the notice to the shareholders meeting.</u> <u>(3) A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission as set forth in the preceding paragraph shall be deemed to have attended the said shareholders meeting in person, but shall be deemed to have wa4ed his/her/its voting power in respect4e of any impromptu motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders meeting.</u> <u>(4) In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission specified in the preceding two paragraphs, his/her/its declaration of intention shall be served to the Company two days prior to the scheduled meeting date of the shareholders meeting, whereas if two or more declarations of the same intention are served to the Company, the first declaration of such intention rece4ed shall prevail, unless a declaration is made to cancel the previous proxy appointment.</u> <u>(5) In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders meeting in person, he /she/it shall,</u>	13. Voting on the motion: (1) The shareholders of the Company may execute their voting rights by correspondence or electronic means in a session of the shareholders meeting. (2) A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission as set forth in the preceding paragraph shall be deemed to have attended the said shareholders meeting in person, but shall be deemed to have wa4ed his/her/its voting power in respect4e of any impromptu motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders meeting.

After amendment	Pre-amendment contents
<u>two days prior to the meeting date of the scheduled shareholders meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his/her/its voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders meeting in his/her/its behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.</u> (6) Unless otherwise provided for in the Company Act and the Articles of Incorporation <u>of the Company</u>, the decision of an issue shall be resolved by a majority vote in the meeting which is attended by shareholders who represent a majority of the total issued shares. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first <u>announce</u> the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions shall be entered into the MOPS. (7) When there is an amendment or an alternat⁴e to a proposal, the chair shall present the amended or alternat⁴e 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.	(3) Unless otherwise provided for in the Company Act and the Articles of Incorporation, the decision of an issue shall be resolved by a majority vote in the meeting which is attended by shareholders who represent a majority of the total issued shares. <u>An agenda is considered passed if the chair receives no objection from any attending shareholders. This voting method shall carry the same effect as the conventional ballot method.</u> 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 alternat⁴e to a proposal, the chair shall present the amended or alternat⁴e 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.
<u>15. Calculation of the number of shares with voting rights and the recusal system:</u> <u>(1) The voting in the shareholders meetings shall be calculated based on numbers of shares.</u> <u>(2) The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a shareholders meeting.</u>	

After amendment	Pre-amendment contents
<u>(3) A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.</u> <u>(4) The number of shares mentioned in the preceding paragraph that could not be exercised for voting rights shall not be counted as the voting rights of the shareholders who are already present in the meeting.</u> <u>(5) Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excess^{4e} voting power shall not be counted.</u>	
<u>16. Meeting minutes and signing items:</u> <u>(1) Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. The minutes may be produced and distributed in electronic means.</u> <u>(2) The distribution of the minutes of the shareholders meeting as required in the preceding paragraph may be effected by means of a public notice.</u> <u>(3) The minutes of shareholders meeting shall record faithfully the date and place of the meeting, the name of the chair, the method of adopting resolutions, and a summary of the essential points of the proceedings and the voting results (including the statistical tallies of the numbers of votes) of the meeting. Where directors and supervisors are elected in a shareholders meeting, the number of election powers so won by them shall be disclosed. The minutes shall be kept persistently throughout the life of the Company.</u>	14. Minutes shall be taken of the proceedings of the shareholders meeting: (1) Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. (2) The distribution of the minutes of the shareholders meeting as required in the preceding paragraph may be effected by means of a public notice. (3) The minutes of shareholders meeting shall record the date and place of the meeting, the name of the chair, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.
<u>18. Implementation and amendment:</u> <u>(1) Any details that are not addressed in this Rules shall be governed by the Company Act and relevant regulations.</u> <u>(2) These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.</u>	<u>16. Implementation and amendment:</u> (1) Any details that are not addressed in this Rules shall be governed by the Company Act and relevant regulations. (2) These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Attachment 9. Comparison Table of Amendment to the “Election Procedure of Directors and Supervisors”

After amendment	Pre-amendment contents
3. The criteria that shall be taken into account when electing directors and supervisors: (1) The overall composition of the directors shall be taken into consideration in the election of this <u>Company</u>’s directors. (Omitted) (2) The qualifications that must be possessed by the supervisor of the <u>Company</u> are as <u>follow</u>: (Item 1 is omitted.) (Item 2 is omitted.) (Item 3 is omitted.) (Item 4 is omitted.) (Item 5 is omitted.) (3) In addition to the fact that the <u>Company</u>’s supervisor holds the above qualifications, at least one of the supervisors shall be a financial accounting professional. (4) The Company shall refer to the provisions on independence provided in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and appoint a suitable supervisor to enhance the risk management and financial and operational control of the Company. (5) At least one (1) supervisor seat shall have no spousal relationship or familial relationship within the second degree of kinship with another supervisor or a director. (6) A supervisor shall not be concurrently a director, a managerial officer or other staff/employee of the company. At least one (1) of the supervisors shall have a domicile within the territory of the Republic of China to allow timely performance of supervisory functions.	3. The criteria that shall be taken into account when electing directors and supervisors: (1) The overall composition of the directors shall be taken into consideration in the election of directors. (Omitted) (2) The qualifications that must be possessed by the supervisor are on the left: (Item 1 is omitted.) (Item 2 is omitted.) (Item 3 is omitted.) (Item 4 is omitted.) (Item 5 is omitted.) In addition to the fact that the supervisor holds the above qualifications, at least one of the supervisors shall be a financial accounting professional. The Company shall refer to the provisions on independence provided in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and appoint a suitable supervisor to enhance the risk management and financial and operational control of the Company. At least one (1) supervisor seat shall have no spousal relationship or familial relationship within the second degree of kinship with another supervisor or a director. A supervisor shall not be concurrently a director, a managerial officer or other staff/employee of the company. At least one (1) of the supervisors shall have a domicile within the territory of the Republic of China to allow timely performance of supervisory functions.
4. Qualifications of independent directors and the scope of the appointment: (1) The qualifications of the <u>Company</u>’s independent director shall be in accordance with Articles 2, 3 and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies.” (2) The appointment of the <u>Company</u>’s independent director shall be in accordance with Articles 5, 6, 7, 8 and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies” and shall be implemented pursuant	4. Qualifications of independent directors and the scope of the appointment: (1) The qualifications of the independent director shall be in accordance with Articles 2, 3 and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies.” (2) The appointment of the independent director shall be in accordance with Articles 5, 6, 7, 8 and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies” and shall be implemented pursuant to Article 24 of the “Corporate

After amendment	Pre-amendment contents
to Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”	Governance Best Practice Principles for TWSE/TPEX Listed Companies.”
5. The appointment of directors and supervisors: (1) <u>The appointment of the Company’s directors and supervisors</u> shall adopt the candidates’ nomination system pursuant to Article 192-1 of the Company Act. (Paragraph 2 is omitted.) (Paragraph 3 is omitted.) (Paragraph 4 is omitted.) (Paragraph 5 is omitted.) (6) Election of the <u>Company’s</u> directors and supervisors <u>shall</u> proceed using the cumulative <u>voting system</u>. Each share shall be empowered with voting rights equal to the number of elected seats for directors or supervisors. These voting rights may be concentrated on one candidate or <u>spread</u> across multiple candidates. (Paragraph 7 is omitted.) (8) The number of directors will be as specified in this <u>Company’s</u> Articles of Incorporation, with voting rights calculated separately for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots for the remaining seats available. The Chair will draw lots on behalf of any person not in attendance. (Paragraph 9 is omitted.) (Paragraph 10 is omitted.) (11) Ballots that are found with any of the <u>following</u> are invalid: 1. <u>The</u> ballots used are not prepared by the board of directors. 2. <u>Blank</u> ballots are cast into the ballot box. 3. <u>The</u> writing is unclear and indecipherable or has been altered. 4. <u>If</u> the candidate is a shareholder, the account name and shareholder account number are inconsistent with the Register of Shareholders. If the candidate is not a shareholder, the name and identity document number are found to be inconsistent.	5. The appointment of directors and supervisors: (1) The appointment of independent directors shall adopt the candidates’ nomination system pursuant to Article 192-1 of the Company Act. (Paragraph 2 is omitted.) (Paragraph 3 is omitted.) (Paragraph 4 is omitted.) (Paragraph 5 is omitted.) (6) Election of the directors and supervisors shall proceed using the cumulative single-registered voting method. Each share shall be empowered with voting rights equal to the number of elected seats for directors or supervisors. These voting rights may be concentrated on one candidate or spread across multiple candidates. (Paragraph 7 is omitted.) (8) The number of directors will be as specified in the Articles of Incorporation, with voting rights calculated separately for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots for the remaining seats available. The Chair will draw lots on behalf of any person not in attendance. (Paragraph 9 is omitted.) (Paragraph 10 is omitted.) (11) Ballots that are found with any of the following on the left are invalid: (1) The ballots used are not prepared by the board of directors. (2) Blank ballots are cast into the ballot box. (3) The writing is unclear and indecipherable or has been altered. (4) If the candidate is a shareholder, the account name and shareholder account number are inconsistent with the Register of Shareholders. If the candidate is not a shareholder, the name and identity document number are found to be inconsistent.

After amendment	Pre-amendment contents
5. Ballots, in addition to the candidate account name (name) or shareholder account number (identity document number) <u>and assigned number of suffrage</u> , are found with other texts written.	(5) Ballots that contain writings other than the candidate's name or shareholder ID (or identity document number).
6. The candidate name filled in the ballots is same as other shareholders and without the shareholder account number or identity document available for identification.	(6) The candidate name filled in the ballots is same as other shareholders and without the shareholder account number or identity document available for identification.
(12) The balloting result, <u>including</u> the elected directors and supervisors <u>and</u> the number of votes, <u>shall</u> be announced by the Chair immediately at the end of the voting period.	(12) The balloting result, the elected directors and supervisors and the number of votes will be announced by the Chair immediately at the end of the voting period.

Appendix 1. Procedures for Ethical Management and Guidelines for Conduct

1. **Purpose of Establishment and Scope of Application:**

The Company engages in commercial activities out of the utmost fairness, honesty, faithfulness and transparency. The following procedures and guidelines have been established in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and laws in the countries where the Company and group enterprises operate to fully enforce ethical management, prevent unethical conducts and outline areas that require employees’ attention when performing duties.

The applicable scope of the Procedures and Guidelines includes the subsidiaries of the Company and group members, including any juristic persons in which the Company’s accumulated contributions, direct or indirect, exceed 50 percent of the total funds and other institutions or juristic persons substantially controlled by the Company.

2. **Applicable subjects:**

For the purposes of the Procedures and Guidelines, the term “personnel of the Company” refers to any director, supervisor, manager, employee, mandatary and person having substantial control, of the Company or the group enterprises and organizations.

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

3. **Unethical Conducts:**

For the purposes of the Procedures and Guidelines, unethical conduct means that any personnel of the Company, in the course of their duties, directly or indirectly offers, accepts, promises or request improper benefits or commits a breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

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

4. **Types of benefits:**

For the purposes of these Procedures and Guidelines, the term “benefits” means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining or any other item of value in whatever form or name.

5. **Responsible unit and Responsibilities:**

The Company designates the President’s Office as the responsible unit (hereinafter referred to as the responsible unit) subject to the Board of Directors with sufficient resources and qualified personnel to be in charge of the amendment, implementation, interpretation, and advisory services with respect to the Procedures and Guidelines as well as the recording and filing of reports and supervision of the implementation. The Office is in charge of the following matters and reports to the Board of Directors on a regular basis (at least once a year):

- (1) Assisting in incorporating ethics and moral values into the Company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- (2) Regular analyzing and assessing the risk of unethical conduct within the business scope to adopt programs to prevent unethical conduct and setting out the standard operating procedures and conduct guidelines with respect to the Company’s operations and business in each program.

- (3) Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
- (4) Promoting and coordinating awareness and educational activities with respect to ethics policy.
- (5) Developing a whistle-blowing system and ensuring its operating effectiveness.
- (6) Assisting the Board of Directors and the management to audit and assess the effectiveness of preventive measures established for ethical management implementation and assess the compliance of relevant operating procedures, and make regular reports.
- (7) Preparing and preserving the documentation related to the ethical management policy and its statement of compliance and implementation of promise.

6. Prohibition against providing or accepting improper benefits:

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

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

7. Procedures for handling the acceptance of improper benefits:

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

- (1) If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company’s personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.

- (2) If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

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

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

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

8. Prohibition of and handling procedure for facilitating payments:

The Company shall neither provide nor promise any facilitating payment.

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

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

9. Politically Neutral Position:

The Company upholds the political neutrality without engaging in political donations. The personnel of the Company shall not discuss political issues or engage in political activities during the work hours or at the workplace. Also, they shall not post posters, promotional materials or lecture information related to political activities.

10. Procedures for handling charitable donations or sponsorships:

Charitable contributions or sponsorship by the Company shall be made in accordance with the following provisions, report to the chairman for approval, and notify the responsible unit. Any individual donation at an amount of NT\$1,500,000 or more shall be made only after being reported to and approved by the Board of Directors:

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

11. Recusal:

When an underlying matter at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the Company's directors, supervisors, managers, and other stakeholders attending or present at board meetings, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

Where the spouse, a blood relative within the second degree of kinship of a director or of any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

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

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

12. Special unit in charge of confidentiality regime and its responsibilities:

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

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

13. Prohibition Against Insider Trading and the Non-disclosure Agreement:

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

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

14. Prohibition Against Engaging in Unfair Competitive Practices:

The Company shall follow the Fair Trade Act and applicable competition laws and

regulations when engaging in business activities and avoid actions such as price fixing, bid rigging, use of output restrictions or quota or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

15. Preventing Product or Service Damage to Stakeholders:

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

The Company shall establish and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports or sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders and it is within the scope of responsibility borne by the Company specified in the "Service terms," "Disclaimer" and "Privacy Statement" of the Company website, the Company shall recall those products or suspend the services within 14 workdays, verify the facts and present a review and improvement plan.

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

16. Compliance and Announcement of policy of ethical management to outside parties:

The Company shall require the directors and the senior management to issue a statement of compliance for the ethical management policy and require the employees to comply with the ethical management policy in the employment terms and conditions.

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

17. Ethical management evaluation prior to development of commercial relationships:

Before establishing a business relationship with another party, the Company shall first evaluate the legitimacy and ethical management policy of the distributors, suppliers, customers or other business counterparties and whether the party has a record of involvement in unethical conduct to ensure its business conduct is in a fair and transparent manner without any requesting, offering, or taking bribes.

When conducting the above assessment, the Company may adopt appropriate assessment procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

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

bribery.

- (5) The long-term business condition and degree of goodwill of the enterprise.
- (6) Consultation with the enterprise's business partners on their opinion of the enterprise.
- (7) Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

18. Statement of ethical management policy to counterparties in commercial dealings:

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

19. Avoidance of commercial dealings with unethical operators:

All personnel of the Company shall avoid business transactions with an distributor, supplier, customer, or other counterparties in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to engage in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction to implement the ethical management policy of the Company.

20. Stipulation of terms of ethical management in contracts:

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

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

21. Handling of unethical conduct by personnel of this Corporation:

The Company incentivizes the insiders and outsiders for informing of unethical or unseemly conduct and give bonus lower than NT\$10,000 depending on the severity of the whistle-blowing matter. Insiders that have made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall internally establish and publicly announce an independent internal mailbox and hotline for whistle-blowing on the website and the intranet or commission an independent external institution to provide a whistle-blowing mailbox and hotline for the insiders and outsiders of the Company. A whistleblower shall at least furnish the following information:

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

features.

(3) Specific facts available for investigation.

Personnel who have been assigned to handle misconduct reports must issue written commitments to maintain confidentiality of the informant's identity and the report contents. The Company not only commits to protect informants from mistreatment as a result of their reports, but shall also assign dedicated units to handle misconduct reports according to the following procedures:

The responsible unit of the Company shall observe the following procedure to handle the whistleblowing case:

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

22. Actions upon event of unethical conduct by others towards this Corporation:

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

23. Internal Promotion, Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures:

The Company's chairman, general manager, or senior management shall communicate the importance of corporate ethics to its directors, employees and mandataries on a regular basis.

The Company shall incorporate ethical corporate management in the employee performance evaluation and human resource policies to establish a clear and effective reward, discipline and compliant system.

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

The Company shall make disclosure on the Company's internal website of the title and name of the person violating ethical conduct, the date and details of the violation, and the actions taken in response.

24. Additional Rules

These Principles and Guidelines shall be implemented after the board of directors grants approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

The Company submitted these Principles and Guidelines 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 expresses any objection or reservation about a matter, it shall be recorded in the board meeting minutes. An independent director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Appendix 2. Ethical Corporate Management Best Practice Principles

1. Purpose and Scope of Application:

The Principle is established by the Company to foster a corporate culture of ethical management, sound development and good business operation.

The Principle includes the subsidiaries of the Company and group members, including any juristic persons in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds and other institutions or juristic persons substantially controlled by the Company (hereinafter referred to as group members).

2. Prohibition Against Unethical Conducts:

When engaging in commercial activities, the Company's directors, supervisors, managers, employees, mandataries, or persons having substantial control over the Company (hereinafter referred to as substantial controllers) shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit any unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (hereinafter referred to as unethical conduct) for purposes of acquiring or maintaining benefits.

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

3. Types of benefits:

"Benefits" in Principle means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs without adversely affecting the specific rights and obligations shall be excluded.

4. Compliance:

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM Listing rules or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

5. Policies:

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies approved by the Board of Directors on the principle of good faith and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

6. Preventions:

The Company shall in their own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (hereinafter referred to as "prevention solutions"), including operating procedures, guidelines and training.

The Company's prevention solutions shall comply with the laws of the locations in which the Company and their group members operate.

In the course of developing the prevention solutions, the Company shall communicate with the employee, labor unions members, important trading counterparties, or other stakeholders.

7. Scope of Preventive Solutions:

For the risk of unethical conduct, the Company shall establish the assessment mechanism and regularly analyze and assess the business activities within their business scope which are possibly at a higher risk of being involved in an unethical conduct to establish

preventive solutions and review the adequacy and effectiveness of the solutions on a regular basis.

The prevention solutions established by the Company shall refer to standards or guidelines generally used in Taiwan and abroad and at least include the following preventive measures:

- (1) Offering and acceptance of bribes.
- (2) Illegal political donations.
- (3) Improper charitable donations or sponsorship.
- (4) Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
- (5) Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
- (6) Engaging in unfair competitive practices.
- (7) Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

8. Commitments and Execution:

The Company shall require the directors and the senior management to issue a statement of compliance for the ethical management policy and require the employees to comply with the ethical management policy in the employment terms and conditions.

The Company and group members shall state explicitly in the rules, external documents and the Company website their commitments to business integrity, as well as Board of Directors' and the senior management's commitment to enforcing integrity policies. These commitments need to be reflected accordingly in internal management practices and external commercial activities.

The Company shall prepare and preserve the documentation of the ethical management policy specified in Paragraph 1 and 2 and its statement, promise and implementation.

9. Integrity in Commercial Activities:

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to engaging in commercial transactions, the Company is required to evaluate the legitimacy of the distributors, suppliers, customers and any counterparties, and investigate whether or not any of them are involved in unethical conduct to avoid any dealings with persons so involved.

Contracts signed by the Company with distributors, suppliers, customers or other counterparties shall include clauses that requires compliance with ethical corporate management policy and gives the Company the right to terminate or rescind the contract if the counterparty is involved in unethical conduct.

10. Prohibition Against Offering and Acceptance of Bribery:

When carrying out business activities, the Company and the directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company may not offer, guarantee, request or accept any form of illegitimate benefits with customers, distributors, contractors, suppliers, government officials or other stakeholders, whether directly or indirectly.

11. Prohibition Against Illegal Political Donations:

Any donations made directly or indirectly to political parties, campaigns or individuals by the Company and the directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company must comply with the Political Donations Act and the Company's internal procedures. These donations cannot be exploited as means of obtaining commercial benefits or advantages.

12. **Prohibition Against Improper Charitable Donations or Sponsorship:**
Any donations or sponsorships made by the Company and the directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company to charity organizations must comply with the relevant laws and the internal procedures of the Company. These donations and sponsorships cannot be exploited as means of bribery.
13. **Prohibition Against Inappropriate Gifts, Treatments and Illegitimate Benefits:**
The Company and the directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.
14. **Prohibition Against Infringement of Intellectual Property Rights:**
The Company and the directors, supervisors, managers, employees, mandataries and substantial controllers of the Company shall comply strictly with relevant intellectual property laws, internal procedures of the Company and contract terms. Except with the consent of the intellectual property rights owner, the Company may not use, disclose, dispose, destroy or commit any action that constitutes infringement of intellectual property rights.
15. **Prohibition Against Engaging in Unfair Competitive Practices:**
The Company shall comply with relevant competition laws when engaging in business activities, and avoid actions such as price fixing, bid rigging, use of output restrictions or quota or share or divide markets by allocating customers, suppliers, territories or lines of commerce.
16. **Preventing Product or Service Damage to Stakeholders:**
In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and the directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall observe applicable laws and regulations and international standards to ensure the transparency of information about and safety of, their products and services. They shall also establish and publish a policy on the protection of the rights and interests of consumers or other stakeholders and carry out the policy in their operations to prevent the products and services from directly or indirectly damaging the rights and interests, health and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.
17. **Organization and Responsibilities:**
The directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the duty of care as prudent managers to supervise and prevent unethical conduct, while constantly review the implementation performance and ongoing improvement to ensure the sound execution of ethical management policy.
To achieve sound ethical management, the Company shall establish a dedicated unit (President's Office) subject to the Board of Directors with sufficient resources and qualified personnel to be responsible for the establishment and implementation supervision of the ethical management policy and prevention solutions. The Division is in charge of the following matters and report to the Board of Directors on a regular basis (at least once a year):
 - (1) Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
 - (2) Regular analyzing and assessing the risk of unethical conduct within the business

scope to adopt programs to prevent unethical conduct and setting out the standard operating procedures and conduct guidelines with respect to the Company's operations and business in each program.

- (3) Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
- (4) Promoting and coordinating awareness and educational activities with respect to ethics policy.
- (5) Developing a whistle-blowing system and ensuring its operating effectiveness.
- (6) Assisting the Board of Directors and the management to audit and assess the effectiveness of preventive measures established for ethical management implementation and assess the compliance of relevant operating procedures, and make regular reports.

18. Compliance in Business Dealings:

The Company and the directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company are bound to comply with the laws and the preventive solutions when conducting business activities.

19. Recusal:

The Company shall establish policies for preventing conflicts of interest to identify, supervise and manage potential conflicts of interest that may give rise to dishonest behaviors, and implement channels for directors, supervisors, managers, and stakeholders attending or present at board meetings to state their conflicting interests with the Company. When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the Company's directors, supervisors, managers and other stakeholders attending or present at board meetings, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the Company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company and the directors, supervisors, managers, employees, mandataries, and substantial controllers of the Company must not exploit their vested authorities or influences for improper gains, whether for themselves or for spouse, parents, children or any other parties.

20. Accounting and Internal Control:

The Company shall establish effective accounting system and internal control system for business activities with higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to The internal audit unit of the Company shall draft relevant audit plan including the subject, scope, items and frequency of the audit based on the risk assessment result of the unethical conduct to review the compliance of the preventive solutions. The CPA shall be appointed to carry out the audit, and may engage professionals to assist if necessary.

The preceding audit result shall be reported to the senior management and the responsible unit of ethical management and submit to the Board of Director in the form of an audit report.

21. Training and Appraisal:

The Company's chairman, general manager, or senior management shall communicate the importance of corporate ethics to the directors, employees, and mandataries on a regular

basis.

The Company shall periodically organize education training and promotions for the directors, managers, employees, mandataries and substantial controllers and invite the commercial transaction counterparties of the Company so that they are adequately aware of the Company's commitment, policies and preventive solutions in regards to ethical management, and consequences for engaging in unethical conduct.

The Company shall integrate the policies of ethical corporate management with the employee performance evaluation and human resource policies to establish a clear and effective reward and discipline system.

22. Whistle-blowing System:

The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

- (1) Establishing and announcing an independent internal mailbox and hotline for whistle-blowing or commission an independent external institution to provide a whistle-blowing mailbox and hotline for the insiders and outsiders of the Company.
- (2) The Company shall assign dedicated personnel or unit to handle whistle-blowing. Any whistle-blowing involving a director or senior management shall be escalated to the independent directors or supervisors. The Company shall also establish categories of the whistle-blowing and standard operating procedures for the investigation.
- (3) After the completion of the established whistle-blowing investigation procedure, the Company will take the following actions depending on the severity and report to the component authority or the judiciary when necessary
- (4) Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
- (5) Confidentiality of the identity of whistle-blowers and the content of reported cases. Also, anonymous whistle-blowing is permitted.
- (6) Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
- (7) Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company's awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing shall immediately prepare a report and notify the independent directors or supervisors in written form.

23. Discipline and Grievance System:

The Company shall establish and announce a system that facilitates the reporting and discipline of conducts that violate the integrity policy and shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

24. Information Disclosure:

The Company shall collect quantitative data about the promotion of ethical management, continuously analyze and assess the effectiveness of the promotion of ethical management policy and disclose the measures of the Company for implementing ethical corporate management, the status of implementation, the foregoing quantitative data and the effectiveness of promotion on the Company website, annual report and prospectus. The Company also shall disclose the Principles on the Market Observation Post System.

25. Review and Amendment of Ethical Corporate Management Best Practice Principles and Measures:

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage the directors, supervisors, managers and employees to make suggestions to review and improve the

ethical management policies established by the Company and the measures taken to achieve enhance the implementation efficiency of the ethical management.

26. Additional Rules:

The principles shall be implemented upon approval from the Board of Directors, and are submitted to the supervisors and the shareholders' meeting. The same apply to subsequent amendments.

When submitting the Principles for discussion by the Board of Directors pursuant to the preceding paragraph, the Company shall fully consider the opinions of the independent directors. All objections and reserved opinions expressed by independent directors must be detailed in the board meeting minutes. If the independent director is unable to express objections or reservations in person during the Board of Directors meeting, they shall issue a written opinion in advance, which shall be recorded in the meeting minutes, unless there is some legitimate reason to do otherwise.

Matters that are not specified in the Rules shall be handled in accordance with relevant laws and regulations.

Appendix 3. Articles of Incorporation

Chapter I General Provision

Article 1: The Company has been duly incorporated in accordance with the Company Act and titled ADDCN Technology Co., Ltd.

Article 2: The Company's business services are as follows:

CC01110	Computers and Computing Peripheral Equipments Manufacturing
CC01120	Data Storage Media Manufacturing and Duplicating
F109070	Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
F113020	Wholesale of Household Appliance
F113050	Wholesale of Computing and Business Machinery Equipment
F113070	Wholesale of Telecom Instruments
F118010	Wholesale of Computer Software
F119010	Wholesale of Electronic Materials
F209060	Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
F213010	Retail Sale of Household Appliance
F213030	Retail sale of Computing and Business Machinery Equipment
F213060	Retail Sale of Telecom Instruments
F218010	Retail Sale of Computer Software
F219010	Retail Sale of Electronic Materials
F399040	Retail Business Without Shop
F601010	Intellectual Property
G801010	Warehousing and Storage
I103060	Management Consulting Services
I301010	Software Design Services
I301020	Data Processing Services
I301030	Digital Information Supply Services
I401010	General Advertising Services
I401020	Leaflet Distribution
IZ02010	Typewriting Services
IZ04010	Translation Services
IZ12010	Manpower Services
IZ13010	Internet Identify Services
IZ15010	Marketing Research and Opinion Poll
J101010	Buildings Cleaning Service
J302010	Press Release
J303010	Magazine and Periodical Publication
J304010	Book Publishers
JB01010	Exhibition Services
H703090	Real Estate Commerce
H703100	Real Estate Rental and Leasing
JZ99050	Agency Services
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

C302010	Knit Fabric Mills
C303010	Non-woven Fabrics Mills
C306010	Outerwear Knitting Mills
C307010	Apparel, Clothing Accessories and Other Textile Product Manufacturing
C402030	Leather and Fur Products Manufacturing
CK01010	Footwear Manufacturing
CM01010	Luggage and Bag Manufacturing
F104110	Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
F204110	Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
I701011	Occupation Services
I301040	the third party payment

Article 3: The Company located its headquarters in New Taipei City and may establishes overseas branches according to the resolution of the Board of Directors if necessary.

Article 4: The means of public notice used by the Company shall comply with Article 28 of the Company Act.

Chapter II Shares of Stock

Article 5: The Company has an authorized capital of NT\$1 billion in 100 million shares. Each share has a value of NT\$10. The board of directors is authorized to issue the remaining shares over multiple offerings. The aforementioned total capital amount has three million shares reserved to issue employees the share subscription warrant.

Article 5-1: Where the Company may elect to revoke its public offering of stocks after going public, besides the approval of the board of directors, the matter shall be submitted to the resolution of the shareholders meeting, and an application shall be filed to the competent authority afterwards.

The aforesaid resolution at the meeting of shareholders shall be adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.

In the event the total number of shares represented by the shareholders present at a shareholders' meeting is less than the percentage of the total shareholdings required in the preceding Paragraph, the resolution may be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the company.

Article 5-2: Employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive the treasury stocks purchased by the Company pursuant to the Company Act.

Employees of the Company, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive the share subscription warrant.

Employees of the Company, including the employees of parent s or subsidiaries of the company meeting certain specific requirements, are entitled to purchase the new shares issued by the Company.

Employees of the Company, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive restricted

stock for employees issued by the Company.

Article 6:

Deleted.

Article 7:

The Company shall assign its share certificates with serial numbers. The stocks shall be registered and the share certificates shall be affixed with the signatures or personal seals of more than three (3) directors, and shall be duly certified or authenticated in accordance with the laws before issuance thereof. After publicly issuing the shares, 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 convening date of a regular shareholders' meeting, or within 15 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits. The entries in the shareholders' roster shall not be altered within 60 days prior to the convening date of a regular shareholders' meeting or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Article 8-1:

Unless otherwise specified in the laws or regulations set by the central competent authority, the Company shall comply with the Company Act and the Regulations Governing the Administration of Shareholder Services of Public Companies for the implementation of the shareholder's stock affairs.

Chapter III General Meeting of Shareholders

Article 9:

The general meeting of shareholders may convene in regular sessions or special sessions. Regular session will usually be convened by the board of directors once a year within six (6) months after the end of a fiscal year. Special sessions may be convened at any time, as needed.

Article 9-1:

Shareholders' meetings that are convened by the board of directors shall be chaired by the Chairman. If the Chairman is absent for any reason, the Chairman shall appoint one of the directors to act on his/her behalf. If no one is appointed, the remaining directors shall appoint one among themselves to perform the Chairman's duties on the behalf. Where an entitled third party other than the board of directors may call for a shareholders meeting, such party shall preside over the meeting. In case there are two entitled parties calling for the shareholders meeting, one of them shall be nominated to preside over the meeting.

Article 10:

If specific shareholder cannot attend the shareholders' meeting in person, such shareholder may use the authorization of agent printed by the Company and specify the scope of authorization for appointing a proxy to attend the meeting. The implementation of the appointment of a proxy for the attendance of a shareholders' meeting shall be in compliance with Articles 177 to 177-2 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" published by the competent authority.

Article 11:

The shareholder of the Company shall be entitled to one vote for each share held, except when the voting rights are restricted or the shares are considered non-voting shares under Article 179 of the Company Act.

In case a director or supervisor of the Company whose shares are issued to the public has created a 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.

When the shareholders' meeting is in session, votes can be cast by correspondence or electronic means. Where the Company adopt both voting by correspondence or electronic means, it shall specify the detail of voting by correspondence or electronic means in the notice of shareholders' meeting.

Article 12: Resolutions at a shareholders meeting shall, unless otherwise provided for in relative laws, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 12-1: Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the shareholders meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the meeting.

The distribution of the minutes of shareholders' meeting as required in the preceding paragraph may be effected by means of a public notice.

The minutes of the shareholders' meeting shall record the date and place of the meeting, the name of the chair, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes of meeting, attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept in the Company. The time that the materials shall be kept are in compliance with Article 183 of the Company Act.

Article 13: Deleted.

Chapter IV Directors and Supervisors

Article 14: The Company shall establish 5 to 7 seats of directors and 1 to 3 seats of supervisors, who shall be persons of legal competent and elected by the shareholders. Directors and supervisors shall have tenure of 3 years and may be assume a second term of office if reelected. The minimum total registered shares owned by all directors and supervisors of the public Company shall be in accordance with the regulations in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies."

Article 14-1: Of all the seats of directors as mentioned there shall be at least two seats of independent directors, and the number of seats for independent directors shall constitute at least 1/5 of the total seats of directors. The independent director shall be elected using the candidates nomination system according to Article 192-1 of the Company Act. The professional qualification, quantity of shareholding, limitation of job position, methods of nomination and election and other issues for compliance shall be handled in accordance with the requirements of the competent authority of securities.

Independent directors and directors are elected at the same time but with the elected seats counted separately.

When the number of independent directors falls below the required number due to the dismissal of a director for any reason, the Company shall hold a re-election at the next following shareholders' meeting. When all independent directors have been dismissed, the Company shall convene a special shareholders' meeting to hold a re-election within 60 days from the date on which the fact occurred.

Article 14-2: Election of the Company's directors and supervisors shall proceed using the

cumulative single-registered voting system. Each share shall be empowered with voting rights equal to the number of elected seats for directors or supervisors. These voting rights may be concentrated on one candidate or spread across multiple candidates. Where the method shall be amended as necessary, the implementation shall be in compliance with Article 172 of the Company Act, and the major part shall be explained in the notice to convene a shareholders meeting.

Article 15: The board of directors shall be organized by directors. A Chairman shall be elected among board members during a board meeting with more than two-thirds of directors present, and with the support of more than half of all attending directors. The Chairman represents the Company externally. A Vice Chairman shall be elected in the same manner.

Article 15-1: Unless otherwise specified in the Company Act, resolutions of the board of directors may be made by a session with the presence of at least half of the seats of directors and by a simple majority of these directors. Unless otherwise specified in relative laws and regulations, the director that cannot attend the meeting shall appoint another director to attend the meeting with the power of attorney stating therein the scope of power authorized to the proxy. Each director may be appointed by one director to act as proxy in the meeting.

Article 15-2: The convention of the board of directors shall be in compliance with Article 204 of the Company Act. However, in case of emergency, a meeting may be convened at any time. The convention mentioned above may be called with notice in writing, e-mail or fax.

Article 16: In the absence of the Chairman or the Chairman is unable to perform its duties, the substitution shall be duly handled in accordance with Article 208 of the Company Act.

Article 16-1: When the number of vacancies in the board of directors of the Company equals to one third of the total number of directors, or all the supervisors are dismissed, the board of directors shall call, within 30 days, a special shareholders meeting to elect succeeding directors to fill the vacancies. The newly elected personnel shall fulfill the unexpired term of office of the predecessor. In the case of the Company has issued the shares to the public, the special shareholders meeting for electing succeeding directors shall be convened by the board of directors within 60 days.

Article 17: The board of directors is authorized to determine the remuneration and travel allowance for all directors and supervisors based on individual participation and contribution to the Company's operations and with reference to industry peers.

Article 17-1: The supervisor is responsible for supervising all business operations of the Company according to the laws and the resolution by the shareholders meeting. The supervisor may attend the board of directors' meeting and present opinions, but they do not have the voting right.

Article 17-2: The Company may purchase liability insurance for director, supervisors or other important employees during their terms to insure itself against possible claims that may arise as a result of directors' and supervisors' decisions. The board of directors is authorized to determine the amount insured and the insurance matters.

Chapter V Managers

Article 18: The Company shall employ several managers and the appointment and dismissal of whom shall be carried out pursuant to Article 29 of the Company Act.

Chapter VI Accounting Policy

- Article 19: At the end of the fiscal year, the board of directors shall prepare (I) business report (II) financial statements (III) proposal of earnings distribution or loss reimbursement and related documents, and submit these materials to the supervisors for a review 30 days prior to the scheduled date of the regular shareholders meeting. The materials then will be submitted to the shareholders meeting for ratification.
- Article 20: Annual profits concluded by the Company shall be subject to employees' remuneration of no less than 1% and the directors and supervisors' remuneration may be provided up to 3% of the annual profits. However, the company's accumulated losses shall have been covered first.
Employees' remuneration, as mentioned above, can be paid in shares or cash to employees of parents or subsidiaries of the company meeting certain specific requirements.
- Article 20-1: If the Company has a profit at the year's final accounting, it shall first pay profit-seeking enterprise income tax and make up any losses from past years, and then make contribution of 10% of the balance to the statutory reserve, unless the statutory reserve reaches the amount of the Company paid-in capital. Special reserves may be set aside depending on the Company's operating needs pursuant to the laws and regulations. The remaining profits deducting the dividend distribution amount with the undistributed earnings at beginning of period (if any) shall be proposed for a distribution by the board of directors. The proposal shall then be submitted to the shareholders meeting for a resolution for the distribution.
- Article 20-2: The Company is now at the growth stage, the dividend will be distributed in the form of stock dividends or cash dividends based on the Company's demand for funds in the future and the level of dilution of the capital stock. In principle the cash dividends shall not be lower than 10% of the total amount of the dividends. Only that the dividend type and percentage to be distributed are based on actual profits of the year and the status of the funds. The final result is subject to the resolution of the shareholders meeting.

Chapter VII Supplementary Provisions

- Article 21: The Company may make direct investment and act as a guarantor for business purposes. Besides, the Company may become a shareholder of limited liability in other companies with the resolution of the board of directors. And the total amount of its investments in such other companies is not subject to the restrictions imposed under Article 13 of the Company Act.
- Article 22: Anything not covered by this Articles of Incorporation shall be governed by the Company Act and other applicable laws and regulations.
- Article 22-1: The Company's Articles of Incorporation and enforcement rules are stipulated separately by the board of directors.
- Article 23: The Articles of Incorporation was established 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 10, 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.
The 16th amendment was on June 20, 2019.

ADDCN TECHNOLOGY CO., LTD.

Chairman: Shih-Fang Liao

Appendix 4. Rules of Procedure for Shareholders Meetings

1. Purpose:

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

2. Scope of Application:

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

3. Responsibility:

- (1) Unless otherwise provided by law or regulation, this Company's shareholders' meetings shall be convened by the board of directors.
- (2) The board of directors of the Company authorized the Finance Department as the "unit in charge of shareholders' meeting-related matters."
- (3) The Finance Department is responsible for informing the shareholders of the shareholders' meeting and preparing meeting materials for the shareholders meeting.

4. Shareholders' meeting notices:

- (1) The company shall prepare the electronic version of the notice of meeting, appointment of agent form, information on motions for ratification, discussion, the election or discharge of Directors and Supervisors, and the motions and causes of motions and upload the aforementioned information to MOPS at least 30 days before a regular session or at least 15 days before a special session of the General Meeting.
- (2) In addition, the Company shall also prepare the parliamentary procedure handbook and supplementary materials for the meeting in electronic version and upload the information to MOPS at least 21 days before a regular session or 15 days before a special session is scheduled, and prepare the hard copies of parliamentary procedure handbook and supplementary materials for the meeting and make these materials available at the offices of the Company and the professional share registration agent commissioned by the Company, or release the materials on the site of the meeting.
- (3) The aforementioned notice and announcement shall contain information on the cause of the session, and may be made in electronic form at the consent of the respondents.
- (4) Motions of election or discharge of Directors, Supervisors, alteration of the Articles of Incorporation, dissolution, merger, split up of the company, or anything as stated in Article 185-1 of the Company Act, Article 26-1, Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be explicitly stated in the cause of calling for the session and cannot be proposed as impromptu motions.
- (5) For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
- (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 the Company before 5 days prior to 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 the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before 2 business days prior to the meeting date. If the cancellation notice is submitted

after that time, votes cast at the meeting by the proxy shall prevail.

- (8) The Company shall specify in its shareholders meeting notices the time during which shareholders' 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. Time of the shareholders' meeting:

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares represented by the participating shareholders shall be calculated based on the sign-in book or the submitted sign-in cards, added with the number of shares with voting rights that are exercised in writing or in electronic means.

- (1) The chair shall call the meeting when the attending shareholders represent a majority of the total number of issued shares. If the appointed meeting time has passed but 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 as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175 of the Company Act.
- (2) When a tentative resolution is made, if the share amount represented by the attending shareholder has met the legal requirement, the chair may call the meeting and resubmit the tentative resolution for a vote by the shareholders meeting.

6. Preparation before the meeting:

- (1) The Company shall have a place to register for attendance set up and prepare the attendance book.
1. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.
 2. The attendance book is for the attending shareholders to sign or attending shareholders may hand in a sign-in card in lieu of signing in.
- (2) The Company shall furnish 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 (hereinafter referred to collectively as "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) Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting. Where an institutional shareholder may be appointed as a proxy to attend the shareholders' meeting, such institutional shareholder may appoint only one representative to the meeting.
- (5) The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholders' meeting.

7. Chair 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 managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders' meetings convened by the board of directors be chaired by the Chairman of the board in person and attended by a majority of the directors, 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 meeting minutes.

- (2) If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

8. Meeting Procedure:

- (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 extraordinary motions), except by a resolution of the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, other members in the board of directors shall elect one person through a majority vote represented by the attending shareholders to continuously chair the meeting.
- (4) When the meeting is adjourned, except for the matters stated above, shareholders cannot nominate another chairman or seek another venue for continuation of the meeting.

9. Notices for proceeding the meeting:

- (1) When a meeting is in progress, the chair may announce a break based on time considerations.
- (2) The Company's shareholders' meetings must be recorded in video or audio, and kept for at least one 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 this Corporation.
- (4) Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- (5) If the meeting is not over yet, by resolution of the shareholders present at the meeting, the chair may resume the meeting within five days without further notice or public announcement.

10. Speaking of the present shareholders:

- (1) Before speaking, an attending shareholder must fill in 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) The speech of the attending shareholders may not be interrupted by other shareholders, unless otherwise with the consent of the chairman and the speaking shareholder. The chairman must stop the offender from speaking.
- (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. When the time is exceeded, the chair may stop the shareholder from speaking.
- (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 a present shareholder completes speech, the chair may respond either in person or through a relevant person designated.
- (7) The chair may announce to discontinue further discussions if the topic is considered to have been sufficiently discussed to proceed with the vote.
- (8) Where the meeting place may be equipped with sound amplifier equipment, the Chairman shall stop any speech delivered by shareholders not using the equipment installed by the company.

11. Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting:

Shareholders holding 1% or more of the total outstanding shares of the Company may propose motions in a regular session in writing according to Article 172-1 of the Company Act. The shareholder proposing the motion shall attend the meeting in person or appoint a proxy to attend the meeting and participate in the discussion of the motion. If the shareholder's speech violates the agenda or exceeds the scope of the agenda item, the chair may terminate the speech.

12. Place of the shareholders meeting:

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

13. Voting of the motion:

- (1) The Company may adopt the system of voting by correspondence or electronic means in a session of the shareholders' meeting.
- (2) A shareholder who exercises his/her/its voting power at a shareholders' meeting in writing or by way of electronic transmission as set forth in the preceding paragraph shall be deemed to have attended the said shareholders meeting in person, but shall be deemed to have waived his/her/its voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.
- (3) Unless otherwise provided for in the Company Act and the Articles of Incorporation, the decision of an issue shall be resolved by a majority vote in the meeting which is attended by shareholders who represent a majority of the total issued shares. An agenda is considered passed if the chair receives no objection from any attending shareholders. This voting method shall carry the same effect as the conventional ballot method. 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. Minutes shall be taken of the proceedings of the shareholders' meeting:

- (1) Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting.
- (2) The distribution of the minutes of shareholders' meeting as required in the preceding paragraph may be effected by means of a public notice.
- (3) 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 minutes shall be kept persistently throughout the life of the 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) 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 armband bearing the word "Proctor."
- (3) The shareholder (proxy) shall obey the orders given by the chair and proctors (or security personnel) for maintaining orders. In the event of insubordination to the correction of the Chairman, obstruction of the progress of the meeting and failure to take corrective action upon persuasion, the respective shareholder shall be escorted by the prefect or security personnel to leave the venue on the order of the Chairman.

16. Implementation and amendment:

- (1) Any details that are not addressed in this Rules shall be governed by the Company Act and relevant regulations.
- (2) These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Appendix 5. Election Procedure of Directors and Supervisors

1. Basis for the establishment

To establish a fair, just, and open procedure for the election of directors and supervisors, the Company established the Procedure in accordance with Articles 21 and 41 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”

2. Principle of compliance

Unless otherwise specified by laws or Articles of Incorporation, the election of directors and supervisors of the company shall proceed according to the procedure.

3. The criteria that shall be taken into account when electing directors and supervisors:

- (1) The overall composition of the directors shall be taken into consideration in the election of directors.
 - A. The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that an appropriate policy on diversity based on the company’s business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:
 - (A) Basic requirements and values: Gender, age, nationality and culture.
 - (B) Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
 - B. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:
 - (A) Ability to make operational judgments.
 - (B) Ability to perform accounting and financial analysis.
 - (C) Ability to conduct management administration.
 - (D) Ability to conduct crisis management.
 - (E) Knowledge of the industry.
 - (F) An international market perspective.
 - (G) Ability to lead.
 - (H) Ability to make policy decisions.
 - C. A spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company.
 - D. The Company shall adjust the composition of the board of directors according to the results of the performance evaluation.
- (2) The qualifications that must be possessed by the supervisor are on the left:
 - A. Ethical.
 - B. Just when making a judgment.
 - C. Professional knowledge.
 - D. Experienced.
 - E. Capable of reading the financial statements.

In addition to the fact that the supervisor holds the above qualifications, at least one of the supervisors shall be a financial accounting professional.

The Company shall refer to the provisions on independence provided in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and appoint a suitable supervisor to enhance the risk management and financial and operational control of the Company.

At least one (1) supervisor seat shall have no spousal relationship or familial relationship within the second degree of kinship with another supervisor or a director.

A supervisor shall not be concurrently a director, a managerial officer or other staff/employee of the company. At least one (1) of the supervisors shall have a domicile within the territory of the Republic of China to allow timely performance of supervisory functions.

4. Qualifications of independent directors and the scope of the appointment:

- (1) The qualifications of the independent director shall be in accordance with Articles 2, 3 and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies”.
- (2) The appointment of the independent director shall be in accordance with Articles 5, 6, 7, 8 and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies” and shall be implemented pursuant to Article 24 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”

5. The appointment directors and supervisors

- (1) The appointment of independent directors shall adopt the candidates nomination system pursuant to Article 192-1 of the Company Act.
- (2) To examine the qualification, education background and past work experience of the director and supervisor candidates, and whether the things matters in Article 30 of the Company Act happen, the Company shall not randomly add other qualification documents to be examined. The result of the review shall be provided to the shareholders for reference to elect suitable directors and supervisors.
- (3) When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders’ meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders’ meeting within 60 days of the occurrence of that fact to hold a director by-election.
- (4) When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the “Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM”, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- (5) When the number of supervisors falls below that prescribed in this Corporation’s articles of incorporation due to the dismissal of a supervisor for any reason, a by-election to fill the vacancy should ideally be held at the next shareholders’ meeting. When the supervisors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
- (6) The cumulative single-registered voting method shall be used for election of the directors and supervisors at this Corporation. Each share will have voting rights in number equal to the directors or supervisors to be elected, and may be cast for a single candidate or split among multiple candidates.
- (7) The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting.

Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

- (8) The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- (9) Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- (10) If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.
- (11) A ballot is invalid under any of the following circumstances:
 - A. The ballot was not prepared by the board of directors.
 - B. A blank ballot is placed in the ballot box.
 - C. The writing is unclear and indecipherable or has been altered.
 - D. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder and a cross-check shows that the candidate's name and identity card number do not match.
 - E. Ballots that contain writings other than the candidate's name and shareholder ID (or identity document number).
 - F. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
- (12) The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
- (13) The ballots for the aforementioned election shall be kept in the box, sealed and signed by the witness and retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- (14) The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.

6. Implementation and amendment

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

Appendix 6. Shareholding of All Directors and Supervisors

The paid-up capital of the Company is NT\$425,755,000. There are 42,575,500 shares issued.

1. Pursuant to the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” the minimum shares possessed by directors and supervisors of the Company shall be 3,600,000 shares and 360,000 shares. The total shares held by directors and supervisors of the Company are in compliance with the regulation.
2. As of April 20, 2020, the day on which transactions of shares were stopped, the roster of shareholders indicated that all the directors and supervisors of the Company had the following quantity of shares in holding:

Title	Name	Number of shares held	%
Chairman	Shih-Fang Liao	3,437,142	8.07%
Director	Tsung-Hsien Wu	373,406	0.88%
Director	Mei-Hui Lin	168,470	0.40%
Director	Cheng Yu Investment Ltd.	2,254,024	5.29%
Director	Chung-Ping Wang	0	0.00%
Independent Director	Chi-Jui Lien	0	0.00%
Independent Director	Fu-Mei Chen	0	0.00%
Total		6,233,042	14.64%
Supervisor	Rui Qi Investment Ltd.	483,940	1.14%
Supervisor	Mu-Chuan Huang	0	0.00%
Supervisor	Chin-Han Chen	1,341	0.00%
Total		485,281	1.14%