

ADDcn Technology Co., Ltd

2021 Annual General Shareholders' Meeting Agenda Handbook

(Summary Translation)

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Date: June 24, 2021

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

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ADDCN Technology Co., Ltd.

2021 Annual General Shareholders' Meeting Agenda

Time: 9:00 am, June 24 (Thursday), 2021

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

- I. Announcement of the Number of Shares Represented in the Meeting
- II. Call the Meeting to Order
- III. Chairperson Remarks
- IV. Report Items
 - (I) 2020 Business Report
 - (II) 2020 Supervisors' Audit Report
 - (III) 2020 Report on the Distribution of Remuneration to Directors/Supervisors and Employee
 - (IV) Amendment Report of the "Codes of Ethical Conduct" of the Company
 - (V) Amendment Report of the "Ethical Corporate Management Best Practice Principles" of the Company
 - (VI) Amendment Report of the "Procedures for Ethical Management and Guidelines for Conduct" of the Company
- V. Ratification Items
 - (I) 2020 Business Report and Financial Statements
 - (II) 2020 Surplus Earning Distribution
- VI. Discussions Items
 - (I) New Shares Issued from Surplus to Capital Increase
 - (II) Amendment to the "Articles of Incorporation" of the Company
 - (III) Amendment to the "Operation Method of Endorsement Guarantee" of the Company
 - (IV) Amendment to the "Operating Procedures for Fund Loan to Others" of the Company
 - (V) Amendment to the "Procedures for Acquiring or Disposing of Assets" of the Company

(VI) Amendment to the “Rules of Procedure for Shareholders Meetings” of the Company

(VII) Amendment to the “Election Procedure of Directors and Supervisors” of the Company

(VIII) Amendment to the "Rules on Scope of Authority of Supervisors" of the Company

VII. Election Items

Reelection of Directors of the Company

VIII. Other Proposals

Removal of Non-competition Restrictions on New Directors and Their Representatives

IX. Motions

X. Adjournment

[Report Items]

Item No. 1

Proposal : 2020 Business Report.

Description : Please refer to Attachment 1.

Item No. 2

Proposal : 2020 Supervisors' Audit Report.

Description : Please refer to Attachment 2.

Item No. 3

Proposal : 2020 Report on the Distribution of Remuneration to Directors / Supervisors and Employees

Description : 1. According to Article 20 of the Articles of Incorporation.
2. The distributed employee remuneration was NT\$54,500,000 and the remuneration to the directors and supervisors was NT\$7,560,000 in 2020. All were distributed in cash and had no discrepancies in the recognized amount in 2020.

Item No. 4

Proposal : Amendment to the "Codes of Ethical Conduct" of the Company.

Description : 1. To be in line with the laws and regulations and actual needs and setting of Audit Committee, the Company amended the "Codes of Ethical Conduct".
2. For the comparison table of amendment to the "Codes of Ethical Conduct", please refer to Attachment 3.

Item No. 5

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

Description : 1. To be in line with setting of Audit Committee, the Company amended the "Ethical Corporate Management Best Practice Principles".
2. For the comparison table of amendment to the "Ethical Corporate Management Best Practice Principles", please refer to Attachment 4.

Item No. 6

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

Description : 1. To be in line with setting of Audit Committee, the Company amended the "Procedures for Ethical Management and Guidelines for Conduct".
2. For the comparison table of amendment to the "Procedures for Ethical Management and Guidelines for Conduct", please refer to Attachment 5.

[Ratification Items]

Item No. 1 (Proposed by the Board of Directors)

Proposal : 2020 Business Report and Financial Statements.

Description : 1. The 2020 Business Report and Financial Statements have been approved by the Board on March 18, 2021 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 I and 6.

Resolution :

Item No. 2 (Proposed by the Board of Directors)

Proposal : 2020 Surplus Earning Distribution

Description : 1. For the attached 2020 Surplus Earning Distribution Table, please refer to Attachment 7.
2. The Company plans to attribute NT\$515,262,000 from the distributable earnings of 2020 as cash dividend at NT\$12 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]

Item No. 1 (Proposed by the Board of Directors)

Proposal : New Shares Issued from Surplus to Capital Increase

Description : 1. Considering the needs of future business development, the Company plans to allocate a stock dividend of NT \$78,615,000 from the distributable earnings in 2020 to increase capital and newly issue 7,861,500 shares with a value of NT\$ 10 per share.
2. According to the proportion of shares held by the shareholders on the base date of capital increase, 183.08743901 shares shall be allotted free of charge. If the allotted shares are less than one share, the shareholders may register with the stock affairs agency of the Company within five days from the date when the transfer of shares is stopped at the time of ex right. If the allotted shares are still less than one share after the time limit, it shall be handled in accordance with Article 240 of the

Company Act In addition, the Chairman of the Board of Directors is authorized to negotiate with a specific person to subscribe according to the face value. For the shareholders who participate in the book-entry distribution of shares, the odd lots amount will be used as a fee for handling the book-entry distribution.

3. The rights and obligations of the new shares to be issued this time are the same as those of the ordinary shares to be issued originally, and they shall be issued without entity.
4. The Board of Directors is authorized to set another base date, issuance date and other related matters for the capital increase once the resolution of the meeting of shareholders is passed and submitted to the competent authority for approval. It is proposed to request the Board of Shareholders to authorize the Chairman of the Board to handle it with full power if it has been modified by the competent authority or needs to be modified in response to the objective environment.
5. If the total number of the outstanding shares is affected and the allotment of shares of shareholders 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 :

Item No. 2 (Proposed by the Board of Directors)

Proposal : Amendment to the "Articles of Incorporation" of the Company.

Description : 1. To be in line with the laws and regulations and actual needs and setting of Audit Committee, the Company amended the "Articles of Incorporation".
2. For the comparison table of amendment to the "Articles of Incorporation", please refer to Appendix 8.

Resolution :

Item No. 3 (Proposed by the Board of Directors)

Proposal : Amendment to the "Operation Method of Endorsement Guarantee" of the Company.

Description : 1. "To be in line with the laws and regulations and actual needs and setting of Audit Committee, the Company amended the Operation Method of Endorsement Guarantee".
2. For the comparison table of amendment to the "Operation Method of Endorsement Guarantee", please refer to Appendix 9.

Resolution :

Item No. 4 (Proposed by the Board of Directors)

Proposal : Amendment to the "Operating Procedures for Fund Loan to Others" of the Company.

Description : 1. To be in line with the laws and regulations and actual needs and setting of Audit Committee, the Company amended the "Operating Procedures for Fund Loan to Others".
2. For the comparison table of amendment to the "Operating Procedures

for Fund Loan to Others", please refer to Appendix 10.

Resolution :

Item No. 5 (Proposed by the Board of Directors)

Proposal : Amendment to the "Procedures for Acquiring or Disposing of Assets" of the Company.

Description : 1. To be in line with the laws and regulations and actual needs and setting of Audit Committee, the Company amended the "Procedures for Acquiring or Disposing of Assets".
2. For the comparison table of amendment to the "Procedures for Acquiring or Disposing of Assets", please refer to Appendix 11.

Resolution :

Item No. 6 (Proposed by the Board of Directors)

Proposal : Amendment to the "Rules of Procedure for Shareholders Meetings" of the Company.

Description : 1. To be in line with the laws and regulations and actual needs and setting of Audit Committee, the Company amended the "Rules of Procedure for Shareholders Meetings".
2. For the comparison table of amendment to the "Rules of Procedure for Shareholders Meetings", please refer to Appendix 12.

Resolution :

Item No. 7 (Proposed by the Board of Directors)

Proposal : Amendment to the "Election Procedure of Directors and Supervisors" of the Company.

Description : 1. To be in line with the laws and regulations and actual needs and setting of Audit Committee, the Company amended the "Election Procedure of Directors and Supervisors", and rename it to be the "Procedures for Election of Directors".
2. For the comparison table of amendment to the "Election Procedure of Directors and Supervisors", please refer to Appendix 13.

Resolution :

Item No. 8 (Proposed by the Board of Directors)

Proposal : Abolish "Rules on Scope of Authority of Supervisors" of the Company.

Description : 1. To be in line with the laws and regulations and actual needs and setting of Audit Committee to replace the Supervisors, the Company abolished the "Rules on Scope of Authority of Supervisors".
2. For the comparison table of amendment to the "Rules on Scope of Authority of Supervisors", please refer to Appendix 14.

Resolution :

[Election Items] (Proposed by the Board of Directors)

Proposal : Election of Directors of the Company

Description : 1. The term of office of the current directors and supervisors will expire on June 13, 2021. They are to be reelected at this shareholders' meeting. The former directors and supervisors will be dismissed after the election of new directors.

2. According to Article 14-4 of the Security Exchange Law, the Audit Committee shall be set up, and no supervisors shall be set up according to the Law. The Audit Committee shall be composed of all independent directors, and its member shall not be less than three persons. After the election, the Audit Committee shall be formed by all independent directors, which will replace the supervisor's duties.

3. According to Article 14 of the Articles of Incorporation, seven Directors (including three independent directors) will be elected for a term of three years from June 24, 2021 to June 23, 2024.

4. The list of candidates for the Sixth Session of Board of Directors (including independent directors) of the Company was approved by the Fifth Session of 18th Meeting of Board of directors on May 13, 2021. Please refer to Appendix 15 for the list of candidates for directors (including independent directors)

5. Submit it for election.

Election :

Results:

[Other Proposals] (Proposed by the Board of Directors)

Proposal : Removal of non-competition restrictions on new directors and their representatives

Description : 1. According to Article 209 of the Company Act, if a director acts for himself or others within the business scope of the Company, he or she shall explain the important contents of his act to the Meeting of Shareholders with permission.

2. If new directors of the Company may invest in or operate other companies with the same or similar business scope as the Company and act as directors or managers, on the premise of not damaging the interests of the Company, it is proposed to remove the non-competition of new directors.

3. Competition details for directors (including independent directors) of the sixth session of board, please refer to Appendix 16.

Resolution :

[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 2021 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 2020:

(I) Results of the business plan:

In 2020, the consolidated revenue of the Company was NT\$1,539,775 thousand and the operating profit reached NT\$721,558 thousand while the net profit after tax and EPS was NT\$622,171 thousand and NT\$14.74, respectively. The consolidated revenue and net profit after tax in the current period have increased by 4.89% and 3.55% respectively compared with that in 2019. It has been earning more than one share capital for shareholders for 14 consecutive years.

In 2020, the world, so far, has been still in a state of crisis. Under the influence of the epidemic, many enterprises can not even maintain their basic operations. In such a severe environment, the Company continues to make outstanding achievements in operation, sparing no effort to take care of the health and welfare of the Group's employees, gathering the centripetal force of our team. What's more, because of such a healthy and centripetal team, we can grow against the severe environment. "591 Property Trading" actively introduced more new services, such as VR home viewing and more friendly real price for login services, and expanded the competitive advantage. "8891 Cars Trading" stably developed, this year, we will continue to develop diversified contents such as new car information, audio and video, and become the first car brand. Under the continuous focus and refining, "518 Human Resource" supplemented AI technology and mobile terminal priority and other advantages, and created "518 Bear" for service-oriented talents, and with "Chickpt (Part-Time Human Resource)", providing a full range of enterprise recruitment services. In addition, it's also a good year for the new platform. After "Tasker Outsourcing" developed stably in the business outsourcing service platform, we will gather the services such as water and electricity, repair and cleaning, create a service platform with home demand as the core; In the first half of the year, "Marry Wedding Service" was deeply affected by the epidemic. However, with the efforts of the team, the quality of matchmaking service was successfully promoted and the charges were officially started. "Chickpt (Part-Time Human Resource)" had more advantages, and gained the recognition of most large enterprises in addition to being the first brand of among the students. Under the influence of drastic changes in the internal and external situation of the Hong Kong market, the market operation is very difficult. However, "Hong Kong 591" and "Hong Kong 8591" had stable development and operation.

(II) Financial revenue and expenditure, and profitability analysis:

Please refer to the following table for details of the Company's consolidated operating income, operating gross profit, operating net profit, net profit after tax in current period and earnings per share after tax in 2020:

Unit: NT\$ thousands

Item \ Year	2020	2019
Sales Revenue	1,539,775	1,468,031
Gross Profit	1,195,047	1,155,098
Net operating income	721,558	717,142
Net profit after tax in current period	622,171	600,852
Earnings per share after tax (NT\$)	14.74	14.14

(III) 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 2021 Business Plan:

Due to the global epidemic, there are still many uncertain factors, and the tense situation has not been eased. In 2021, the Company continued the primary goal of ensuring the health of team members. Only healthy team can ensure the long-term development of the Company. As for operation, we continued to expand the gap with competitors in 2021, and based on the existing platform, optimize the user experience of mobile terminal and increase diversified and flexible charging mode to show the platform value. "518 Bear", "Chickpt (Part-Time Human Resource)", "Tasker Outsourcing" and "Marry Wedding Service" and more platforms will actively seek more exposure and build a complete human market ecosystem. In the overseas market, "Hong Kong 591" has strengthened the development of new business and cooperation with offline operators to expand the scope of services, while "Hong Kong 8591" has started charging fees in order to achieve self-sufficiency. 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

Taiwan's Internet market has become a competitive place for domestic and foreign entrepreneurs, and the impact of the international environment is increasing. However, the overall laws and regulations have been gradually opened up, which is conducive to the network industry. In the face of increasingly severe challenges, the Company continues to develop diversified and convenient services to maintain the Company's continuous growth power. The

operation team of our company has rich practical experience and is fully aware of the market competition, regulations and overall business environment.

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' Audit Report

The Board of Directors of the Company hereby prepared the 2020 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.

Sincerely,

To 2021 General Shareholders' Meeting of ADDCN Technology Co., Ltd.

Supervisor: Rui Qi Investment Ltd.

Supervisor: Mu-Chuan Huang

Supervisor: Chin-Han Chen

Mar 18, 2021

Attachment 3. Comparison Table of Amendments to the “Codes of Ethical Conduct”

Amended Provisions	Current Provisions
I. Purpose and basis: To guide the conduct of the Company's <u>personnel</u> in line with the ethical standards, and make the company's stakeholders more aware of the company's ethical standards, this Codes is formulated for compliance.	I. Purpose and basis: To guide the conduct of directors, supervisors, managers (including General Manager and personnel at equivalent level, assistant manager and personnel at equivalent level, manager and personnel at equivalent level, head of financial department, head of accounting department, and other persons who have the right to manage affairs and sign for the Company) and other staff of the Company to comply with the ethical standards, and to make the Company's stakeholders know more about the ethical standards of the company, this codes are made specifically for compliance.
II. Applicable staff: (I) <u>The Company's directors, managers (including general manager and personnel at equivalent level, deputy general manager and personnel at equivalent level, assistant manager and personnel at equivalent level, manager and personnel at equivalent level, head of financial department, head of accounting department, and other persons who are in charge of management affairs and have signature rights for the Company) and other employees.</u> (II) <u>The staff of the preceding paragraph are referred to as "the Company's personnel".</u>	
III. Principle of good faith: (The following is omitted)	II. Principle of good faith: (The following is omitted)
IV. Prevention of conflict of interest: (I) <u>The personnel of the Company shall handle their official affairs in an objective and effective manner, and shall not use their positions in the Company to gain improper benefits to themselves, their spouses or relatives.</u> (II) <u>When the affiliates of the personnel referred to in the preceding paragraph lends funds to or provides guarantee for the Company and its subsidiaries, major asset transactions, and purchase (sales) of goods, the personnel of the Company shall take the initiative to explain to the Company whether there is any potential conflict of interest with the Company and its subsidiaries.</u>	III. Prevention of conflict of interest: Directors, supervisors and managers shall handle their official affairs in an objective and efficient manner, and shall not use their positions in the Company to gain improper benefits for themselves, their spouses, parents, children or relatives. When the affiliates of the personnel referred to in the preceding paragraph lends funds to or provides guarantee for the Company and its subsidiaries, major asset transactions, and purchase (sales) of goods, the directors, supervisors or managers of the Company shall take the initiative to explain to the Company whether there is any potential conflict of interest with the Company and its subsidiaries.
V. Self-benefiting practices shall be avoided. <u>The personnel of the Company shall follow the following rules:</u>	IV. Self-benefiting practices shall be avoided. Directors, supervisors and managers shall not: (1) Use the Company's property, information, or

Amended Provisions	Current Provisions
1.It is <u>not</u> allowed to use the Company's property, information or take advantage of its position for personal gain. 2.It is <u>not</u> allowed to compete with the Company, unless the restriction on non competition is <u>removed with the consent of the shareholders' meeting</u>. 3.When the Company has opportunities to get profits, it has the responsibility to increase the legitimate interests that the Company or its subsidiaries can obtain. 4.<u>Do not</u> engage in any behavior prohibited by the code of conduct or other relevant regulations of the Company.	to gain personal gain by taking advantage of his position; (II)-Competing with the Corporation. When the Company has opportunities to get profits, the directors, supervisors and managers have the responsibility to increase the legitimate interests that the Company or its subsidiaries can obtain. It excludes the restriction on non competition in the consent of the shareholders' meeting. (III) Behaviors prohibited by the Company's code of conduct or other relevant regulations.
<u>VI. Confidentiality responsibility:</u> The personnel of the Company shall be obliged to keep confidential for the technical or non-technical information of the <u>Company or its subsidiaries</u>, or the information of its customers who purchase (sell) goods, except for being disclosed by authorization or by law. The confidential information includes all unpublished information that may be used or leaked by competitors, resulting in loss to the company, subsidiaries or customers.	V. Confidentiality responsibility: The directors, supervisors or managers of the Company shall be obliged to keep confidential for the technical or non-technical information of the Company or its subsidiaries, or the information of its customers who purchase (sell) goods, except for being disclosed by authorization or by law. The confidential information includes all unpublished information that may be used or leaked by competitors, resulting in loss to the company, subsidiaries or customers.
<u>VII. Fair trade:</u> (I) <u>The Company's personnel</u> shall treat the company's customers, competitors and employees fairly, and shall not obtain improper benefits by manipulating, concealing or abusing the information based on their duties, or making false statements about important matters or other unfair trading methods. (II) When performing their duties, <u>the personnel of the Company</u> shall not demand, contract, deliver or accept any form of gift, entertainment, kickback, bribery or other improper benefits for the individuals, the Company or the third party. However, if the gift or entertainment is permitted by social etiquette and customs or Company regulations, this restriction shall not apply.	VI. Fair trade: (I) The directors, supervisors or managers of the Company shall treat the company's customers, competitors and employees fairly, and shall not obtain improper benefits by manipulating, concealing or abusing the information based on their duties, or making false statements about important matters or other unfair trading methods. (II) When performing their duties, the directors, supervisors or managers of the Company shall not demand, contract, deliver or accept any form of gift, entertainment, kickback, bribery or other improper benefits for the individuals, the Company or the third party. However, if the gift or entertainment is permitted by social etiquette and customs or Company regulations, this restriction shall not apply.
<u>VIII. Protect and properly use the company's assets:</u> <u>The Company's personnel</u> are responsible for protecting the company's assets and shall ensure that they can be used effectively and legally in official business.	VII. Protect and properly use the company's assets: The Company's directors, supervisors or managers are responsible for protecting the company's assets and shall ensure that they can be used effectively and legally in official

Amended Provisions	Current Provisions
	business.
<u>IX.</u> Follows laws and regulations: (I) The company's personnel shall abide by other laws and regulations related to the Company Act, Security Exchange Law and other relevant laws and regulations. (II) The company shall strengthen the advocacy of ethics, and encourage employees to actively report to independent directors, managers, internal audit supervisors or other appropriate personnel when they suspect or find violations of laws and regulations, and provide sufficient information to help the Company to properly handle subsequent matters. In order to encourage employees to report illegal conduct, the Company shall establish a concrete whistleblowing system, allow anonymous whistleblowing, and make employees aware that the Company will use its best efforts to ensure the safety of informants whistleblowers and protect them from reprisals. (III) The company will handle the reported cases in a confidential manner, which will be verified by independent channels, and will spare no effort to protect the informants.	VIII. Follows laws and regulations: The company's directors, supervisors or managers shall abide by other laws and regulations related to the Company Act, Security Exchange Law and other relevant laws and regulations, and strengthen the advocacy of ethics The Company and subsidiaries shall encourage employees to actively report to Board of Directors, supervisors or managers, internal audit supervisors or other appropriate personnel when they suspect or find violations of laws and regulations, and provide sufficient information to help the Company to properly handle subsequent matters. In order to encourage employees to report illegal conduct, the Company shall establish a concrete whistleblowing system and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals. The company will handle the reported cases in a confidential manner, which will be verified by independent channels, and will spare no effort to protect the informants.
<u>X.</u> Punishment and relief: (I) When any director or manager violates the code, the company shall deal with it in accordance with relevant regulations, and disclose the date and reason of violation, the violation of code and the handling situation of the violator at the public information observatory in real time. (II) If the violator is punished for violating the provisions of this code, he or she may appeal in accordance with the relevant provisions.	IX. Punishment and relief: When any director, supervisor or manager violates the code of Ethical Conduct, the company shall deal with it in accordance with relevant regulations, and disclose the date and reason of violation, the violation of code and the handling situation of the violator at the public information observatory in real time. Where the violator is subject to disciplinary actions for violating the Codes, the violator may appeal in accordance with relevant regulations.
<u>XI.</u> Procedures for exemption: If it is necessary for a director or manager to exempt himself from the provisions of the codes, he / she shall pass a resolution from the Board of Directors, and disclose the date of the Board's approval of the exemption. Besides, the objection or reservation of the Independent Directors, the period of application of the exemption, the reasons and the codes should be published at the public information observatory in real time. So the shareholders can evaluate whether the resolution of the Board of	X. Procedures for exemption: If it is necessary for a director, supervisor or manager to exempt himself from the provisions of the codes, he / she shall pass a resolution from the Board of Directors, and disclose the date of the Board's approval of the exemption. Besides, the objection or reservation of the Independent Directors, the period of application of the exemption, the reasons and the codes should be published at the public information observatory in real time. So the shareholders can evaluate whether the

Amended Provisions	Current Provisions
Directors is appropriate. All is to prevent the occurrence of arbitrary or suspicious exemption from compliance with the codes, and ensure that any exemption from compliance with the codes has an appropriate control mechanism, and protect the company.	resolution of the Board of Directors is appropriate. All is to prevent the occurrence of arbitrary or suspicious exemption from compliance with the codes, and ensure that any exemption from compliance with the codes has an appropriate control mechanism, and protect the company.
<u>XII.</u> Disclosure method: The company shall disclose the codes on the company's website, annual report, prospectus and public information observatory, and the amended ones shall be done at the same way.	XI. Disclosure method: The company and subsidiaries shall disclose the code of ethical conduct on the company's website, annual report, prospectus and public information observatory, and the amended ones shall be done at the same way.
<u>XIII.</u> Supplementary Provisions: (I) The codes shall be implemented <u>with the approval of the Audit Committee</u> and the approval of the Board of Directors, and shall be submitted to the shareholders' meeting, and the amended ones shall be done at the same way. (II) Any matters not covered in the <u>codes</u> shall be handled in accordance with the relevant laws and regulations.	XII. Supplementary Provisions: The codes shall be implemented after being approved by the Board of Directors and submitted to the supervisors and the shareholders' meeting, and the amended ones shall be done at the same way. Any matters not covered in the methods shall be handled in accordance with the relevant laws and regulations.

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

Amended Provisions	Current Provisions
II. Prohibition Against Unethical Conducts: When engaging in commercial activities, the Company's directors, 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 following is omitted)	II. 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 following is omitted)
X. Prohibition Against Offering and Acceptance of Bribery: When carrying out business activities, the Company and the directors, 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.	X. Prohibition Against Offering and Acceptance of Bribery: 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.
XI. Prohibition Against Illegal Political Donations: Any donations made directly or indirectly to political parties, campaigns or individuals by the Company and the directors, 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.	XI. Prohibition Against Illegal Political Donations: Any donations made directly or indirectly to political parties, campaigns or individuals by the Company and 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.
XII. Prohibition Against Improper Charitable Donations or Sponsorship: Any donations or sponsorships made by the Company and the directors, 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.	XII. 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.

Amended Provisions	Current Provisions
XIII. Prohibition Against Inappropriate Gifts, Treatments and Illegitimate Benefits: The Company and the directors, 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.	XIII. 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.
XIV. Prohibition Against Infringement of Intellectual Property Rights: The Company and the directors, 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.	XIV. 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.
XVI. 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, 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 products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, Merry shall, in principle, recall those products or suspend the services immediately.	XVI. 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, 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 products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, Merry shall, in principle, recall those products or suspend the services immediately.
XVII. Organization and Responsibilities: The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the duty of care as prudent managers to supervise and prevent	XVII. 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

Amended Provisions	Current Provisions
unethical conduct, while constantly review the implementation performance and ongoing improvement to ensure the sound execution of ethical management policy. (The following is omitted)	and prevent unethical conduct, while constantly review the implementation performance and ongoing improvement to ensure the sound execution of ethical management policy. (The following is omitted)
XVIII. Compliance in Business Dealings: The Company and the directors, managers, employees, mandataries, and substantial controllers of the Company are bound to comply with the laws and the preventive solutions when conducting business activities.	XVIII. 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.
XIX. Avoidance of Interests: The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of 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, 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. Directors shall also exercise self-discipline among themselves and avoid collusion. The Company' directors, managerial officers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.	XIX. Avoidance of Interests: 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, supervisor, 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. Directors shall also exercise self-discipline among themselves and avoid collusion. 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.
XXI. Training and Appraisal: The Chairman, President, or the senior management of the Company shall communicate the importance of corporate ethics to Directors, employees, and mandataries	XXI. Training and Appraisal: The Chairman, President, or the senior management of the Company shall communicate the importance of corporate ethics to Directors, employees, and mandataries

Amended Provisions	Current Provisions
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.	on a regular basis. The Company shall periodically organize education training and promotions for the directors, supervisors, 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.
XXII. Whistle-blowing System: Merry shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: (The 1st paragraph is omitted) (II) Appoint the person or unit who is responsible for the prosecution. If the information involves the directors or senior management, it shall report to the Independent Directors, and formulate the category of the reporting matters and the investigation standard procedures. (The 3rd paragraph is omitted) (The 4th paragraph is omitted) (The 5th paragraph is omitted) (The 6th paragraph is omitted) (The 7th paragraph is omitted) When material misconduct or likelihood of material impairment to the Company comes to the awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.	XXII. Whistle-blowing System: Merry shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following: (The 1st paragraph is omitted) (II) Appoint the person or unit who is responsible for the prosecution. If the information involves the directors or senior management, it shall report to the Independent Directors or supervisors, and formulate the category of the reporting matters and the investigation standard procedures. (The 3rd paragraph is omitted) (The 4th paragraph is omitted) (The 5th paragraph is omitted) (The 6th paragraph is omitted) (The 7th paragraph is omitted) When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors or supervisors in written form.
XXV. 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, managers and employees to make suggestions to review and improve the ethical management	XXV. 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

Amended Provisions	Current Provisions
policies established by the Company and the measures taken to achieve enhance the implementation efficiency of the ethical management.	management policies established by the Company and the measures taken to achieve enhance the implementation efficiency of the ethical management.
XXVI. Additional Rules: The principles shall be implemented after the audit committee, upon approval from the Board of Directors, and are submitted to the shareholders' meeting. And the amended ones shall be done at the same way. 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. Any matters not covered in the Rules shall be handled in accordance with relevant laws and regulations.	XXVI. Additional Rules: These Principles shall be implemented after the Board of Directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when these Principles have been amended. 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. Any matters not covered in the methods shall be handled in accordance with the relevant laws and regulations.

Attachment 5. Comparison Table of Amendments to the "Procedures for Ethical Management and Guidelines for Conduct"

Amended Provisions	Current Provisions
II. Applicable staff: For the purposes of these Procedures and Guidelines, the term "the Company's personnel" refers to any director, managerial officer, employee, mandataries or person having substantial control, of the Company or its group enterprises and organizations. Any provision, promise, request, or acceptance of improper benefits by any of the Company's personnel through a third party will be presumed to be an act by the Company's personnel.	II. Applicable staff: For the purposes of these Procedures and Guidelines, the term "personnel of this Corporation" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of this Corporation or its group enterprises and organizations. Any provision, promise, request, or acceptance of improper benefits by any of the Company's personnel through a third party will be presumed to be an act by the Company's personnel.
XI. Avoidance of Interests: 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, 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. Directors shall also exercise self-discipline and must not support one another in improper dealings. (The following is omitted)	XI. Avoidance of Interests: 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. Directors shall also exercise self-discipline and must not support one another in improper dealings. (The following is omitted)
XXI. Handling of unethical conduct by personnel of this Corporation: The Company incentives 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. This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to	XXI. Handling of unethical conduct by personnel of this Corporation: The Company incentives 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. This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to

Amended Provisions	Current Provisions
submit reports. The following information must be provided by the whistleblower: (I) 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. (II) The informed party's name or other information sufficient to distinguish its identifying features. (III) 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 this Corporation shall observe the following procedure: (1) Information shall be reported to the department head if involving the rank and file and to an independent director if involving a director or a senior executive. (The following is omitted)	submit reports. The following information must be provided by the whistleblower: (I) 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. (II) The informed party's name or other information sufficient to distinguish its identifying features. (III) 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 this Corporation shall observe the following procedure: (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. (The following is omitted)
XXIV. Additional Rules: These Principles and Guidelines shall be implemented after the board of directors grants approval, and shall be reported at a shareholders' meeting. And the amended ones shall be done at the same way. When the company submits these Procedures and Code to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting. <u>Any matters not covered in the operation procedure and the Guides, all the matters shall be handled in accordance with the relevant laws and regulations.</u>	XXIV. Additional Rules: These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting. When the company submits these Procedures and Code to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Attachment 6. CPA Audit and 2020 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, 2020 and 2019, and the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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(n) for the accounting policy of “Revenue” and note 6(r) 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 volume 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 model 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

Adden Technology Co., Ltd has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unqualified opinion.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We 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 18, 2021

(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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (note 6(r) and 7)	\$ 1,539,775	100	1,468,031	100
5000	Operating costs (note 6(f)(g)(m)(p)(s))	<u>344,728</u>	<u>22</u>	<u>312,933</u>	<u>21</u>
5900	Gross profit from operations	<u>1,195,047</u>	<u>78</u>	<u>1,155,098</u>	<u>79</u>
6000	Operating expenses (note 6(d)(f)(g)(h)(m)(p)(s) and 7):				
6100	Selling expenses	199,576	13	176,924	12
6200	Administrative expenses	222,128	15	202,597	14
6300	Research and development expenses	51,785	3	45,654	3
6450	Impairment loss determined in accordance with IFRS 9	<u>-</u>	<u>-</u>	<u>12,781</u>	<u>1</u>
	Total operating expenses	<u>473,489</u>	<u>31</u>	<u>437,956</u>	<u>30</u>
6900	Net operating income	<u>721,558</u>	<u>47</u>	<u>717,142</u>	<u>49</u>
	Non-operating income and expenses (note 6(b)(c)(t) and 7):				
7100	Interest income	4,008	-	4,919	-
7010	Other income	28,276	2	15,302	1
7020	Other gains and losses, net	(4,089)	-	1,098	-
7050	Finance costs	(166)	-	(289)	-
7375	Share of profit of associates accounted for using equity method (note 6(e))	<u>29,206</u>	<u>2</u>	<u>17,382</u>	<u>1</u>
	Total non-operating income and expenses	<u>57,235</u>	<u>4</u>	<u>38,412</u>	<u>2</u>
	Profit before income tax	778,793	51	755,554	51
7951	Less: income tax expenses (note 6(n))	<u>156,622</u>	<u>11</u>	<u>154,702</u>	<u>11</u>
	Profit	<u>622,171</u>	<u>40</u>	<u>600,852</u>	<u>40</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	(25,287)	(1)	(743)	-
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>(25,287)</u>	<u>(1)</u>	<u>(743)</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation	(2,387)	-	(23,094)	(1)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	1,748	-	39	-
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>(639)</u>	<u>-</u>	<u>(23,055)</u>	<u>(1)</u>
8300	Other comprehensive income	<u>(25,926)</u>	<u>(1)</u>	<u>(23,798)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 596,245</u>	<u>39</u>	<u>\$ 577,054</u>	<u>39</u>
	Profit attributable to:				
8610	Owners of parent	\$ 627,399	40	601,159	40
8620	Non-controlling interests	<u>(5,228)</u>	<u>-</u>	<u>(307)</u>	<u>-</u>
		<u>\$ 622,171</u>	<u>40</u>	<u>\$ 600,852</u>	<u>40</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 602,326	39	577,660	39
8720	Non-controlling interests	<u>(6,081)</u>	<u>-</u>	<u>(606)</u>	<u>-</u>
		<u>\$ 596,245</u>	<u>39</u>	<u>\$ 577,054</u>	<u>39</u>
	Basic earnings per share (NT dollars) (note 6(q))	<u>\$ 14.74</u>		<u>14.14</u>	
	Diluted earnings per share (NT dollars) (note 6(q))	<u>\$ 14.63</u>		<u>14.04</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Adden Technology Co., Ltd AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Share capital	Retained earnings					Total other equity interest					
		Ordinary shares	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	Unearned compensation	Total equity attributable to owners of parent	Non-controlling interests
Balance at January 1, 2019	\$ 425,790	421,815	344,196	121,582	591,546	1,057,324	(80,934)	(119,343)	(2,278)	1,702,374	20,715	1,723,089
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	59,155	-	(59,155)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	78,696	(78,696)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(451,337)	(451,337)	-	-	-	(451,337)	-	(451,337)
Profit for the year ended December 31, 2019	-	-	59,155	78,696	(589,188)	(451,337)	-	-	-	(451,337)	-	(451,337)
Other comprehensive income	-	-	-	-	601,159	601,159	-	(704)	-	601,159	(307)	600,852
Total comprehensive income	-	-	-	-	-	-	(22,795)	(704)	-	(23,499)	(299)	(23,798)
Other changes in capital surplus:	-	-	-	-	601,159	601,159	(22,795)	(704)	-	577,660	(606)	577,054
Cash dividends from capital surplus	-	(80,900)	-	-	-	-	-	-	-	(80,900)	-	(80,900)
Share-based payments	-	916	-	-	-	-	-	-	2,278	3,194	-	3,194
Retirement of restricted stock awards	(35)	35	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2019	425,755	341,866	403,351	200,278	603,517	1,207,146	(103,729)	(120,047)	-	1,750,991	20,109	1,771,100
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	60,117	-	(60,117)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	23,498	(23,498)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(519,421)	(519,421)	-	-	-	(519,421)	-	(519,421)
Profit for the year ended December 31, 2020	-	-	60,117	23,498	(603,036)	(519,421)	-	-	-	(519,421)	-	(519,421)
Other comprehensive income	-	-	-	-	627,399	627,399	-	-	-	627,399	(5,228)	622,171
Total comprehensive income	-	-	-	-	-	-	(1,534)	(23,539)	-	(25,073)	(853)	(25,926)
Other changes in capital surplus:	-	-	-	-	627,399	627,399	(1,534)	(23,539)	-	602,326	(6,081)	596,245
Changes in equity of associates and joint ventures accounted for using equity method	-	(641)	-	-	(726)	(726)	-	-	-	(1,367)	-	(1,367)
Cash dividends from capital surplus	-	(25,545)	-	-	-	-	-	-	-	(25,545)	-	(25,545)
Share-based payments	3,630	62,656	-	-	-	-	-	-	(56,193)	10,093	-	10,093
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	31,589	31,589	-	(31,589)	-	-	-	-
Balance at December 31, 2020	\$ 429,385	378,336	463,468	223,776	658,743	1,345,987	(105,263)	(75,175)	(56,193)	1,817,077	14,028	1,831,105

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

Addon Technology Co., Ltd AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Profit before tax	\$ 778,793	755,554
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	43,496	37,203
Amortization expense	9,684	9,726
Expected credit loss	-	12,781
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	648	(189)
Interest expense	166	289
Interest income	(4,008)	(4,919)
Dividend income	(3,010)	(1,478)
Share-based payments	10,093	3,194
Share of profit of associates and joint ventures accounted for using equity method	(29,206)	(17,382)
Loss on disposal of property, plant and equipment	51	206
Gain on disposal of investments	(608)	(545)
Unrealized foreign exchange loss	1,525	1,199
Total adjustments to reconcile profit	28,831	40,085
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and trade receivable	11,342	19,907
Trade receivable due from related parties	9,186	(43,996)
Inventories	-	9,716
Other current assets	(1,001)	4,606
Other financial assets	(503)	7,105
Total changes in operating assets	19,024	(2,662)
Changes in operating liabilities:		
Notes payable and trade payable	3,395	(3,508)
Other payable	32,490	(4,505)
Other payable to related parties	(230)	(6,667)
Contract liabilities	32,686	12,237
Other current liabilities	514	(2,661)
Receipts under custody	10,125	(153)
Total changes in operating liabilities	78,980	(5,257)
Total changes in operating assets and liabilities	98,004	(7,919)
Total adjustments	126,835	32,166

(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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash inflow generated from operations	905,628	787,720
Interest received	4,235	4,688
Interest paid	(166)	(289)
Income taxes paid	(149,465)	(149,273)
Net cash flows from operating activities	760,232	642,846
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(30,000)	(68,497)
Proceeds from disposal of financial assets at fair value through other comprehensive income	121,469	56,177
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2,000	17,658
Acquisition of financial assets at fair value through profit or loss	(23,373)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	23,000
Acquisition of property, plant and equipment	(56,616)	(95,974)
Proceeds from disposal of property, plant and equipment	-	82
Decrease (increase) in refundable deposits	22	(200)
Acquisition of intangible assets	(1,304)	(662)
Acquisition of investment properties	(177,175)	(4,359)
Increase in other financial assets	(3,264)	(28,933)
Increase in other non-current assets	(10,150)	(21,550)
Dividends received	17,123	8,697
Net cash flows used in investing activities	(161,268)	(114,561)
Cash flows from (used in) financing activities:		
Increase in guarantee deposits received	11,398	4,551
Payment of lease liabilities	(4,879)	(4,151)
Cash dividends paid	(544,966)	(532,237)
Net cash flows used in financing activities	(538,447)	(531,837)
Effect of exchange rate changes on cash and cash equivalents	(5,330)	(6,512)
Net increase (decrease) in cash and cash equivalents	55,187	(10,064)
Cash and cash equivalents at beginning of period	670,101	680,165
Cash and cash equivalents at end of period	\$ 725,288	670,101

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, 2020 and 2019, 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, 2020 and 2019, 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 of our opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to note 4(n) for the accounting policy of revenue and note 6(s) 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 volume 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 18, 2021

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

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019			December 31, 2020		December 31, 2019	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (note 6(a))	\$ 514,741	18	458,769	17	2151 Notes payable and trade payable	\$ 3,440	-	14	-
1170 Notes and trade receivable, net (note 6(d)(s))	71,302	3	82,708	3	2180 Trade payable to related parties (note 7)	52,018	2	76,535	3
1181 Trade receivable due from related parties (note 7)	55,591	2	64,821	2	2200 Other payables (note 6(l) and 7)	214,405	8	183,441	7
1476 Other current financial assets (note 6(j), 7 and 8)	571,222	20	546,760	21	2131 Contract liabilities (note 6(s))	227,739	8	196,687	7
1479 Other current assets, others (note 6(k))	11,809	-	5,654	-	2335 Receipts under custody (note 6(l))	429,414	15	414,788	16
					2399 Other current liabilities, others	3,801	-	3,347	-
	1,224,665	43	1,158,712	43		930,817	33	874,812	33
Non-current assets:					Non-Current liabilities:				
1510 Non-current financial assets at fair value through profit or loss (note 6(b))	22,809	1	-	-	2645 Guarantee deposits received	46,871	2	36,331	1
1518 Equity investment at fair value through other comprehensive income (note 6(c))	126,332	5	123,612	5	2670 Other non-current liabilities, others (note 6(o))	5,701	-	7,564	-
1521 Debt investment at fair value through other comprehensive income (note 6(c))	14,965	1	32,056	1		52,572	2	43,895	1
1550 Investments accounted for using equity method (note 6(e))	875,211	31	801,956	30		983,389	35	918,707	34
1600 Property, plant and equipment (note 6(f))	308,783	11	319,884	12	Total liabilities	429,385	15	425,755	16
1760 Investment property, net (note 6(h))	105,729	4	107,401	4	Equity attributable to owners of parent (note 6(p)(q)):	378,336	14	341,866	13
1780 Intangible assets (note 6(i))	92,082	3	100,736	4	Ordinary share	1,345,987	48	1,207,146	45
1840 Deferred tax assets (note 6(o))	10,155	-	14,497	1	Capital surplus	(336,631)	(12)	(223,776)	(8)
1995 Other non-current assets, others (note 6(k))	19,735	1	10,844	-	Retained earnings	1,817,077	65	1,750,991	66
	1,575,801	57	1,510,986	57	Other equity interest				
					Total equity	2,800,466	100	2,669,698	100
Total assets	\$ 2,800,466	100	2,669,698	100	Total liabilities and equity				

(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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars, except for earnings per share)

		2020		2019	
		Amount	%	Amount	%
4100	Operating revenues (note 6(s) and 7)	\$ 1,487,428	100	1,413,137	100
5000	Operating costs (note 6(f)(g)(n)(q)(t) and 7)	<u>388,019</u>	<u>26</u>	<u>365,453</u>	<u>26</u>
5900	Gross profit from operations	<u>1,099,409</u>	<u>74</u>	<u>1,047,684</u>	<u>74</u>
6000	Operating expenses (note 6(d)(f)(g)(h)(i)(n)(q)(t) and 7):				
6100	Selling expenses	173,356	12	159,705	12
6200	Administrative expenses	143,894	10	130,573	9
6300	Research and development expenses	51,785	3	45,655	3
6450	Impairment loss determined in accordance with IFRS 9	-	-	12,781	1
	Total operating expenses	<u>369,035</u>	<u>25</u>	<u>348,714</u>	<u>25</u>
6900	Net operating income	<u>730,374</u>	<u>49</u>	<u>698,970</u>	<u>49</u>
	Non-operating income and expenses (note 6(c)(u) and 7):				
7100	Interest income	2,644	-	3,665	1
7010	Other income	19,166	1	15,605	1
7020	Other gains and losses, net	(2,994)	-	1,616	-
7050	Finance costs, net	(147)	-	(260)	-
7375	Share of profit of associates accounted for using equity method (note 6(e))	<u>29,896</u>	<u>2</u>	<u>31,326</u>	<u>2</u>
7775	Total non-operating income and expenses	<u>48,565</u>	<u>3</u>	<u>51,952</u>	<u>4</u>
	Profit before income tax	<u>778,939</u>	<u>52</u>	<u>750,922</u>	<u>53</u>
7950	Less: Income tax expenses (note 6(o))	<u>151,540</u>	<u>10</u>	<u>149,763</u>	<u>10</u>
	Profit	<u>627,399</u>	<u>42</u>	<u>601,159</u>	<u>43</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	(25,280)	(2)	(29,909)	(2)
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	(7)	-	29,166	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		<u>(25,287)</u>	<u>(2)</u>	<u>(743)</u>	<u>-</u>
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(1,534)	-	(22,795)	(2)
8367	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	1,748	-	39	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>214</u>	<u>-</u>	<u>(22,756)</u>	<u>(2)</u>
8300	Other comprehensive income	<u>(25,073)</u>	<u>(2)</u>	<u>(23,499)</u>	<u>(2)</u>
	Total comprehensive income	<u>\$ 602,326</u>	<u>40</u>	<u>577,660</u>	<u>41</u>
	Basic earnings per share (NT dollars) (note 6(r))	<u>\$ 14.74</u>		<u>14.14</u>	
	Diluted earnings per share (NT dollars) (note 6(r))	<u>\$ 14.63</u>		<u>14.04</u>	

(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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Share capital			Retained earnings			Other equity				
	Ordinary shares	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	Unearned compensation	Total other equity interest	Total equity
Balance on January 1, 2019	\$ 425,790	421,815	344,196	121,582	591,546	1,057,324	(80,934)	(119,343)	(2,278)	(202,555)	1,702,374
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	59,155	-	(59,155)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	78,696	(78,696)	(451,337)	-	-	-	-	(451,337)
Cash dividends of ordinary share	-	-	59,155	78,696	(589,188)	(451,337)	-	-	-	-	(451,337)
	-	-	-	-	601,159	601,159	-	-	-	-	601,159
Profit for the year ended December 31, 2019	-	-	-	-	601,159	601,159	(22,795)	(704)	-	(23,499)	(23,499)
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	-	-	(22,795)	(704)	-	(23,499)	(23,499)
Comprehensive income for the year ended December 31, 2019	-	-	-	-	601,159	601,159	(22,795)	(704)	-	(23,499)	(23,499)
Other changes in capital surplus:											
Cash dividends from capital surplus	-	(80,900)	-	-	-	-	-	-	-	-	(80,900)
Share-based payments	-	916	-	-	-	-	-	-	2,278	2,278	3,194
Retirement of restricted employee stock	(35)	35	-	-	-	-	-	-	-	-	-
Balance on December 31, 2019	425,755	341,866	403,351	200,278	603,517	1,207,146	(103,729)	(120,047)	-	(223,776)	1,750,991
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	60,117	-	(60,117)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	23,498	(23,498)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(519,421)	(519,421)	-	-	-	-	(519,421)
	-	-	60,117	23,498	(603,036)	(519,421)	-	-	-	-	(519,421)
	-	-	-	-	627,399	627,399	-	-	-	-	627,399
Profit for the year ended December 31, 2020	-	-	-	-	627,399	627,399	(1,534)	(23,539)	-	(25,073)	(25,073)
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	-	-	(1,534)	(23,539)	-	(25,073)	(25,073)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	627,399	627,399	(1,534)	(23,539)	-	(25,073)	(25,073)
Other changes in capital surplus:											
Changes in equity of associates and joint ventures accounted for using equity method	-	(641)	-	-	(726)	(726)	-	-	-	-	(1,367)
Cash dividends from capital surplus	-	(25,545)	-	-	-	-	-	-	-	-	(25,545)
Share-based payments	3,630	62,656	-	-	-	-	-	-	(56,193)	(56,193)	10,093
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	31,589	31,589	-	(31,589)	-	(31,589)	-
Balance on December 31, 2020	\$ 429,385	378,336	463,468	223,776	658,743	1,345,987	(105,263)	(175,175)	(56,193)	(36,631)	1,811,077

(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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from operating activities:		
Profit before tax	\$ 778,939	750,922
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	24,594	21,523
Amortization expense	9,334	9,317
Expected credit loss	-	12,781
Net loss on financial assets or liabilities at fair value through profit or loss	648	-
Interest expense	147	260
Interest income	(2,644)	(3,665)
Dividend income	(3,010)	(1,478)
Share-based payments transactions	10,093	3,194
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(29,896)	(31,326)
Loss on disposal of property, plant and equipment	12	-
Gain on disposal of investments	(608)	(545)
Unrealized foreign exchange loss	1,525	1,199
Total adjustments to reconcile profit	10,195	11,260
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	11,406	20,364
Trade receivable due from related parties	9,230	(44,040)
Inventories	-	9,716
Prepayments	(1,729)	6,694
Other current assets	(3,831)	(935)
Other financial assets	340	(424)
Total changes in operating assets	15,416	(8,625)
Changes in operating liabilities:		
Notes and accounts payable	3,426	(3,697)
Accounts payable to related parties	(24,517)	7,749
Other payable	28,430	2,094
Other payable to related parties	(335)	(6,561)
Contract liabilities	31,052	12,217
Other current liabilities	(109)	(2,696)
Receipts under custody	14,626	(2,313)
Total changes in operating liabilities	52,573	6,793
Total changes in operating assets and liabilities	67,989	(1,832)
Total adjustments	78,184	9,428

(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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash inflow generated from operations	857,123	760,350
Interest received	2,655	3,667
Interest paid	(147)	(260)
Income taxes paid	(144,360)	(144,592)
Net cash flows from operating activities	715,271	619,165
Cash flows (used in) from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(30,000)	(68,497)
Proceeds from disposal of financial assets at fair value through other comprehensive income	17,838	56,177
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2,000	-
Acquisition of financial assets at fair value through profit or loss	(23,373)	-
Acquisition of investments accounted for using equity method	(60,380)	-
Acquisition of property, plant and equipment	(9,343)	(91,637)
(Increase) decrease in refundable deposits	(10)	68
Acquisition of intangible assets	(680)	(198)
Acquisition of investment properties	-	(4,359)
Increase in other financial assets	(24,813)	(11,930)
Increase in other non-current assets	(10,150)	-
Dividends received	17,123	8,697
Net cash flows used in investing activities	(121,788)	(111,679)
Cash flows used in financing activities:		
Increase in guarantee deposits received	10,540	4,550
Payment of lease liabilities	(3,085)	(2,766)
Cash dividends paid	(544,966)	(532,237)
Net cash flows used in financing activities	(537,511)	(530,453)
Net increase (decrease) in cash and cash equivalents	55,972	(22,967)
Cash and cash equivalents at beginning of period	458,769	481,736
Cash and cash equivalents at end of period	\$ 514,741	458,769

Attachment 7. 2020 Surplus Earning Distribution Table

ADDCN Technology Co., Ltd.
2020 Surplus Earning Distribution Table

Unit: NT\$ dollars

Item	AMOUNT
Beginning balance of retained earnings	\$481,012
Less: Subscription of affiliates' new shares not in accordance with the shareholding percentage	(\$726,522)
Disposal of equity instruments investment at fair value through other comprehensive income	\$31,589,203
Add: Net profit after tax in 2020	\$627,399,423
Total distributable net profit	\$658,743,116
Less: Special reserves	(\$56,661,532)
Distributable items	
Dividends -- Stock (NT\$ 1.83087439 per share)	(\$78,615,000)
Dividends -- Cash (NT\$ 12 per share)	(\$515,262,000)
End of Period Appropriation	\$8,204,584

Chairman:

Manager

Chief Accountant:

Attachment 8. Comparison Table of Amendments to the "Article of Incorporation"

Amended Provisions	Current Provisions	Reason of Change
Chapter I. General Provisions	Chapter I. General Provisions	-
Article III: The Company located its headquarters in New Taipei City and may establishes overseas branches according to the resolution of the Board of Directors <u>and approval of the competent authority if necessary.</u>	Article III: 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.	The texts are corrected as appropriate.
Article IV: The means of public notice used by the Company shall comply with Article 28 of the Company Act <u>and other laws and regulations.</u>	Article IV: The means of public notice used by the Company shall comply with Article 28 of the Company Act.	The texts are corrected as appropriate.
Chapter II. Shares of Stock	Chapter II. Shares of Stock	-
Article V-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, <u>and the requirements shall be made by the Board of Directors (Chairman).</u>	Article V-2: The Company's treasury shares purchased in accordance with the Company Act shall be transferred to recipients that include employees of controlling or subordinate companies who meet the criteria.	Added the authorization concerning the Board of Directors (Chairman).
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, <u>and the requirements shall be made by the Board of Directors (Chairman).</u>	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, <u>and the requirements shall be made by the Board of Directors (Chairman).</u>	Where the Company issues new shares, the employees eligible for share subscription shall include employees of controlling or subordinate companies who meet the criteria.	
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, <u>and the requirements shall be made by the Board of Directors (Chairman).</u>	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.	

Amended Provisions	Current Provisions	Reason of Change
Chapter III. Shareholders' Meeting	Chapter III. Shareholders' Meeting	-
Article X: If specific shareholder cannot attend the shareholders' meeting in person, such shareholder may use the authorization of agent 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 X: 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.	Follow the amendment of Article 172 of the Company Act.
Article XI: 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 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 XI: 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.	The Audit Committee is set up to replace the function of the supervisor, so the relevant contents about the supervisor are deleted in this Article.

Amended Provisions	Current Provisions	Reason of Change
Chapter IV Board of Directors and Committee	Chapter IV Directors and Supervisors	In response to the change of organization, the chapter name is changed.
Article XIV: The Company shall establish <u>9</u> seats of directors with a three-year term by means of a candidate nomination system, who shall be persons of legal competent and elected by the shareholders.	Article XIV: The Company shall establish 5 to 7 seats of directors and 1 to 3 seats of supervisors with a three-year term by means of a candidate nomination system, who shall be persons of legal competent and elected by the shareholders.	The Audit Committee is set up to replace the function of the supervisor, so the relevant contents about the supervisor are deleted in this Article.
Article XIV-1: Of all the seats of directors as mentioned there shall be at least <u>three</u> 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 election and other issues for compliance shall be handled in accordance with the requirements of the competent authority of securities. The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated 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. In the event that all the Independent Directors are discharged, the Company shall convene an extraordinary Shareholders' Meeting to hold a by-election within 60 days from the date of occurrence of the event.	Article XIV-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 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. The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected are calculated 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. In the event that all the Independent Directors are discharged, the Company shall convene an extraordinary Shareholders' Meeting to hold a by-election within 60 days from the date of occurrence of the event.	Follow the setting of Audit Committee.

Amended Provisions	Current Provisions	Reason of Change
Article XIV-2: Election of the Company's directors shall proceed using the cumulative voting system. Each share shall be empowered with voting rights equal to the number of elected seats for directors. 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 XIV-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.	The Audit Committee is set up to replace the function of the supervisor, so the relevant contents about the supervisor are deleted in this Article.
Article XV-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. <u>If a director participates in the meeting by video, he or she shall be deemed to be present in person.</u>	Article XV-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.	The texts are corrected as appropriate.
Article XV-3: <u>The Company establishes the Audit Committee in accordance with Article XIV-4 of the Security and Exchange Law, which is composed of all independent directors.</u> <u>In accordance with the Company Act, the Security and Exchange Law and other laws and regulations, supervisors shall exercise their functions and powers, which shall be carried out by the Audit Committee.</u>	(New)	Set up the Audit Committee to replace the function of supervisors.
Article XV-4: <u>The Company set up a Remuneration Committee. The number of members, term of office, powers and rules of</u>	(New)	Update the operation of the Remuneration Committee.

Amended Provisions	Current Provisions	Reason of Change
procedure of the Committee shall be determined separately in accordance with the organizational rules of the Remuneration Committee.		
Article XVI-1: When the number of vacancies in the board of directors of the Company equals to one third of the total number of directors, 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 unexposed 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 XVI-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 unexposed 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.	The Audit Committee is set up to replace the function of the supervisor, so the relevant contents about the supervisor are deleted in this Article.
Article XVII: The board of directors is authorized to determine the remuneration and travel allowance for all directors based on individual participation and contribution to the Company's operations and with reference to industry peers.	Article XVII: 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.	The Audit Committee is set up to replace the function of the supervisor, so the relevant contents about the supervisor are deleted in this Article.
Article XVII-1: <u>Delete.</u>	Article XVII-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.	The Audit Committee is set up to replace the function of the supervisor, so the content of this article is deleted.
Article XVII-2: The Company may purchase liability insurance for director during their terms to insure itself against possible claims that may arise as a result of directors' and supervisors' decisions. The amount of insurance and insurance coverage is determined by the Board of Directors.	Article XVII-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 amount of insurance and insurance coverage is determined by the Board of Directors.	1. Set up the Audit Committee to replace the function of supervisor, so delete the relevant content of supervisor in this article.

Amended Provisions	Current Provisions	Reason of Change
		2. The content of this chapter is applicable to the directors and Audit Committee, so its content should be adjusted.
Chapter VI Accounting	Chapter VI Accounting	-
Article XIX: 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. The materials then will be submitted to the shareholders meeting for ratification.	Article XIX: 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.	The Audit Committee is set up to replace the function of the supervisor, so the relevant contents about the supervisor are deleted in this Article.
Article XX: Annual profits concluded by the Company shall be subject to employees' remuneration of no less than 1% and the directors' remuneration may be provided up to 3% of the annual profits. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration. 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. <u>And the specific requirements herein shall be made by the Board of Director (Chairman).</u>	Article XX: 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. When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration. 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.	1. Set up the Audit Committee to replace the function of supervisor, so delete the relevant content of supervisor in this article. 2. Add the authorized Board of Directors (Chairman).
Article XXII: The Articles of Incorporation were established on Jan. 17, 2007. The 1st amendment was made on Mar. 7, 2007. The 2nd amendment was made on Jun. 27, 2008. The 3rd amendment was made on Jun. 18, 2009. The 4th amendment was made on Sep. 10, 2009. The 5th amendment was made on Nov.	Article XXII: The Articles of Incorporation were established on Jan. 17, 2007. The 1st amendment was made on Mar. 7, 2007. The 2nd amendment was made on Jun. 27, 2008. The 3rd amendment was made on Jun. 18, 2009. The 4th amendment was made on Sep. 10, 2009. The 5th amendment was made on Nov.	Add the date of amendment.

Amended Provisions	Current Provisions	Reason of Change
26, 2009. The 6th amendment was made on May 7, 2010. The 7th amendment was made on Jun. 17, 2010. The 8th amendment was made on Jan. 5, 2012. The 9th amendment was made on May 17, 2012. The 10th amendment was made on Jul. 20, 2012. The 11th amendment was made on Oct. 19, 2012. The 12th amendment was made on Jun. 6, 2013. The 13th amendment was made on Sep. 11, 2014. The 14th amendment was made on Jun. 16, 2016. The 15th amendment was made on Sep. 8, 2016. The 16th amendment was made on Jun. 20, 2019. The 17th amendment was made on Jun. 18, 2020. <u>The 18th amendment was made on Jun 24, 2021</u>	26, 2009. The 6th amendment was made on May 7, 2010. The 7th amendment was made on Jun. 17, 2010. The 8th amendment was made on Jan. 5, 2012. The 9th amendment was made on May 17, 2012. The 10th amendment was made on Jul. 20, 2012. The 11th amendment was made on Oct. 19, 2012. The 12th amendment was made on Jun. 6, 2013. The 13th amendment was made on Sep. 11, 2014. The 14th amendment was made on Jun. 16, 2016. The 15th amendment was made on Sep. 8, 2016. The 16th amendment was made on Jun. 20, 2019. The 17th amendment was made on Jun. 18, 2020.	

Attachment 9. Comparison Table of Amendments to the “Operation Method of Endorsement Guarantee”

Amended Provisions	Current Provisions
I. Purpose and Legal basis: The Procedures for Making Endorsements or Guarantees and Loaning of Funds (the "Procedures") are hereby enacted for the Cheng Shin Rubber Ind. Co., LTD. (the "Company") to abide by when making endorsements or guarantees.	I. Purpose and Legal basis: The Procedures for Making Endorsements or Guarantees and Loaning of Funds (the "Procedures") are hereby enacted for the Cheng Shin Rubber Ind. Co., LTD. (the "Company") to abide by when making endorsements or guarantees. Any Matters not covered in the regulations shall be handled in accordance with relevant laws and regulations.
II. The endorsement guarantee mentioned of the measures refers to the following items: (The 1st paragraph is omitted) (The second paragraph is omitted) (The 3rd paragraph is omitted) Where this company provides movable property or immovable property to set a pledge or mortgage for the loan of another company, it shall be also handled in accordance with the measures.	II. The endorsement guarantee mentioned in the work measures refers to the following items: (The 1st paragraph is omitted) (The second paragraph is omitted) (The 3rd paragraph is omitted) Where this company provides movable property or immovable property to set a pledge or mortgage for the loan of another company, it shall be also handled in accordance with the work measures.
V. Decision Making and Authorization Levels: (The 1st paragraph is omitted) (The second paragraph is omitted) 3. When the Company handles endorsements and guarantees to exceed the amount stipulated in <u>these measures</u> due to business needs and meet the conditions stipulated in these measures, it shall be approved by the Board of Directors, and more than half of the directors shall jointly guarantee the company's losses that may be caused by exceeding the limit, and the measures shall be amended and reported to the Board of Shareholders for approval; If the Shareholders' Meeting does not agree, it shall make a plan to cancel the excess within a certain period of time.	V. Decision Making and Authorization Levels: (The 1st paragraph is omitted) (The second paragraph is omitted) 3. When the Company handles endorsements and guarantees to exceed the amount stipulated in the endorsement work measures due to business needs and meet the conditions stipulated in the endorsement work measures, it shall be approved by the Board of Directors, and more than half of the directors shall jointly guarantee the company's losses that may be caused by exceeding the limit, and the measures shall be amended and reported to the Board of Shareholders for approval; If the Shareholders' Meeting does not agree, it shall make a plan to cancel the excess within a certain period of time.
VIII. Attention in Handling Endorsement Guarantee: 1. The internal auditors of the Company shall audit the endorsement and guarantee work measures and their implementation at least quarterly, and make written records. In case of major violations, they shall immediately notify the <u>Audit Committee in writing form</u>. 2. In the event of any change to the Company, resulting in any differences between the endorsement and Article 3, or the amount of endorsement and guarantee exceeds the amount specified in Article 4 of the measures due to the	VIII. Attention in Handling Endorsement Guarantee: 1. The internal auditors of the Company shall audit the endorsement and guarantee work measures and their implementation at least quarterly, and make written records. In case of major violations, they shall immediately notify the supervisors and independent directors. 2. In the event of any change to the Company, resulting in any differences between the endorsement and Article 3, or the amount of endorsement and guarantee exceeds the amount specified in Article 4 of the measures due to the

Amended Provisions	Current Provisions
change of the basis for limit calculating, the audit unit shall urge the Accounting Department to eliminate all the amount or the part of excess of the guarantee endorsed by the target at the expiration of the time limit stipulated in the contract or within a certain time limit, and then <u>submit the improvement plan to the Audit committee, and complete the improvement according to the schedule.</u> 3. When the Company handles endorsements and guarantees to exceed the amount stipulated in these measures due to business needs and meet the conditions stipulated in <u>these</u> measures, it shall be approved by the Board of Directors, and more than half of the directors shall jointly guarantee the company's losses that may be caused by exceeding the limit, and the measures shall be amended and reported to the Board of Shareholders for approval; If the Shareholders' Meeting does not agree, it shall make a plan to cancel the excess within a certain period of time.	change of the basis for limit calculating, the audit unit shall urge the Accounting Department to eliminate all the amount or the part of excess of the guarantee endorsed by the target at the expiration of the time limit stipulated in the contract or within a certain time limit, and then the improvement plan—should be sent to supervisors and independent directors and reported to the Board of Directors. 3. When the Company handles endorsements and guarantees to exceed the amount stipulated in the work measures due to business needs and meet the conditions stipulated in the work measures, it shall be approved by the Board of Directors, and more than half of the directors shall jointly guarantee the company's losses that may be caused by exceeding the limit, and the measures shall be amended and reported to the Board of Shareholders for approval; If the Shareholders' Meeting does not agree, it shall make a plan to cancel the excess within a certain period of time.
X. The control procedures of endorsement and guarantee for subsidiaries are as follows: 1. If the subsidiary of the Company intends to endorse and guarantee for others, it shall also work out the methods and handle them in accordance with <u>laws</u>; However, the net value is calculated on the basis of the net value of the subsidiary. (The second paragraph is omitted) 3. The internal auditors of the subsidiaries shall audit the endorsement and guarantee work measures and their implementation at least quarterly, and make written records. In case of major violations, they shall immediately notify the auditing unit in writing form. And the auditing unit of the Company shall send the written record to the <u>Audit Committee</u>. 4. When the auditors of the Company visit the subsidiaries for auditing in accordance with the annual audit plan, they should understand the implementation of the subsidiary's endorsement and guarantee methods for others. If any missing items are found, they should continue to track for improvement, prepare a tracking report to the General Manager, and submit it to the <u>Audit Committee</u> for reference.	X. The control procedures of endorsement and guarantee for subsidiaries are as follows: 1. If the subsidiary of the Company intends to endorse and guarantee for others, it shall also work out the methods and handle them in accordance with these methods; However, the net value is calculated on the basis of the net value of the subsidiary. (The second paragraph is omitted) 3. The internal auditors of the subsidiaries shall audit the endorsement and guarantee work measures and their implementation at least quarterly, and make written records. In case of major violations, they shall immediately notify the auditing unit in writing form. And the auditing unit of the Company shall send the written record to the supervisors and independent directors. 4. When the auditors of the Company visit the subsidiaries for auditing in accordance with the annual audit plan, they should understand the implementation of the subsidiary's endorsement and guarantee methods for others. If any missing items are found, they should continue to track for improvement, prepare a tracking report to the General Manager, and submit it to the supervisors and independent directors for reference.

Amended Provisions	Current Provisions
5. If the object of endorsement and guarantee of the Company and its subsidiaries is a subsidiary that has the net value less than half of the paid in capital, the Finance and Accounting Department and relevant departments shall evaluate the implementation of control risks and corresponding plans, and periodically report to the <u>Audit Committee</u> and the Board of Directors. If the above-mentioned subsidiary is the object of endorsement and guarantee, and the shares have no par value or the par value of each share is not NT \$10, based upon the regulations above, it shall calculate as the paid in capital, that is, the capital stock plus capital reserve and minus share premium.	5. If the object of endorsement and guarantee of the Company and its subsidiaries is a subsidiary that has the net value less than half of the paid in capital, the Finance and Accounting Department and relevant departments shall evaluate the implementation of control risks and corresponding plans, and periodically report to the supervisors and the Board of Directors. If the above-mentioned subsidiary is the object of endorsement and guarantee, and the shares have no par value or the par value of each share is not NT \$10, based upon the regulations above, it shall calculate as the paid in capital, that is, the capital stock plus capital reserve and minus share premium.
XI. Punishment: Any managers or sponsors of the Company who violate these Regulations shall be punished in accordance with the personnel management regulations of the Company based upon the seriousness of the case.	XI. Punishment: Any managers or sponsors of the Company who violate these Regulations of Operation shall be punished in accordance with the personnel management regulations of the Company based upon the seriousness of the case.
XII. Implementation and Amendment: <u>1. The provisions of these Methods shall be approved by more than half of the members of the Audit Committee. The provisions hereof shall be submitted to the Board of Directors for resolution. After the approval of the Board of Directors, it shall be submitted to the Shareholders' Meeting for approval. And the amended ones shall be done at the same way. If any director has objection and has record or written statement, the Company shall submit the objection to the Audit Committee and the Shareholders' Meeting for discussion.</u> <u>2. If the preceding paragraph is not approved by more than half of the members of the Audit Committee, it should be approved by more than two thirds of the directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Meeting of the Board.</u> <u>3. All members of the Audit Committee referred to in the preceding two paragraphs and all directors referred to in the preceding paragraph shall be calculated by the actual incumbent.</u> <u>4. Any matters not covered in the Rules shall be handled in accordance with relevant laws and regulations.</u>	XII. Implementation and Amendment: With the approval of the Board of Directors, these Methods shall be sent to the supervisors and submitted to the Shareholders' Meeting for approval. If any director expresses objection and has a record or written statement, the Company shall send such objection to the supervisors and submit it to the Shareholders' Meeting for discussion. And the amended ones shall be done at the same way. In addition, the Company has set up independent directors. When the operation methods are submitted to the Board of Directors for discussion, the opinions of each independent director shall be fully considered. If the independent director has any objection or reservation, it shall be recorded in the minutes of the Meeting of the Board. Any matters not covered in the methods shall be handled in accordance with the relevant laws and regulations.

Attachment 10. Comparison Table of Amendments to the "Operating Procedures for Fund Loan to Others"

Amended Provisions	Current Provisions
I. Purpose and Legal basis: The <u>relevant</u> operation is prepared to enable the Company to follow relevant operations of capital lending to others.	I. Purpose and Legal basis: This operation procedure is prepared to enable the Company to follow relevant operations of capital lending to others. Any matters not covered in the Procedure shall be handled in accordance with relevant laws and regulations.
V. Handling and Examination Procedures 1.Application procedure (Paragraph I is omitted.) (Paragraph II is omitted.) The opinions of the independent directors shall be fully taken into account when handling the loan of funds to others, and their explicit opinions of approval or objection and the reasons for objection shall be included in the records of the Board of Directors.	V. Handling and Examination Procedures 1.Application procedure (Paragraph I is omitted.) (Paragraph II is omitted.) The Company has the independent directors. When handling the loan of funds to others, the opinions of the independent directors shall be fully taken into account and their explicit opinions of approval or objection and the reasons for objection shall be included in the records of the Board of Directors.
VI. Subsequent Control Measures and Handling Procedures of Overdue Claims for the Loan 1. Registration and Custody (Paragraph I is omitted.) (Paragraph II is omitted.) The internal auditors of the Company shall audit the endorsement and guarantee work measures and their implementation at least quarterly, and make written records. In case of major violations, they shall immediately notify the <u>Audit Committee</u> in writing form. In case of any circumstances change, the loan object fails to conform to the operation procedures or the balance exceeds the limit, the improvement plans shall be worked out and shall be submitted to the <u>Audit Committee</u>.	VI. Subsequent Control Measures and Handling Procedures of Overdue Claims for the Loan 1. Registration and Custody (Paragraph I is omitted.) (Paragraph II is omitted.) The internal auditors of the Company shall audit the endorsement and guarantee work measures and their implementation at least quarterly, and make written records. In case of major violations, they shall immediately notify the inspectors and independent directors in writing form. In case of any circumstances change, the loan object fails to conform to the operation procedures or the balance exceeds the limit, the improvement plans shall be worked out and shall be submitted to the inspectors and independent directors.
VII. Control Procedures of Subsidiaries Loan to Others (Item I is omitted) 2. The internal auditors of the subsidiaries shall audit the endorsement and guarantee work measures and their implementation at least quarterly, and make written records. In case of major violations, they shall immediately notify the auditing unit in writing form. And the auditing unit of the Company shall send the written record to the <u>Audit Committee</u>.	VII. Control Procedures of Subsidiaries Loan to Others (Item I is omitted) 2. The internal auditors of the subsidiaries shall audit the implementation of operating procedures of subsidiary's fund that lent to others at least quarterly, and make written records. In case of major violations, they shall immediately notify the auditing unit in writing form. And the auditing unit of the Company shall send the written record to the supervisors and independent directors.

Amended Provisions	Current Provisions
3. When the auditors of the Company visit the subsidiaries for auditing in accordance with the annual audit plan, they should understand the implementation of operating procedures of subsidiary's fund that lent to others. If any missing items are found, they should continue to track for improvement, prepare a tracking report to the General Manager, and submit it to <u>the Audit Committee</u> for reference.	3. When the auditors of the Company visit the subsidiaries for auditing in accordance with the annual audit plan, they should understand the implementation of operating procedures of subsidiary's fund that lent to others. If any missing items are found, they should continue to track for improvement, prepare a tracking report to the General Manager, and submit it to the supervisors and independent directors for reference.
X. Implementation and Amendment <u>1. The setting of the operation procedures shall be approved by more than half of the members of the Audit Committee. The procedures hereof shall be submitted to the Board of Directors for resolution. After the approval of the Board of Directors, it shall be submitted to the Shareholders' Meeting for approval. And the amended ones shall be done at the same way. If any director has objection and has record or written statement, the Company shall submit the objection to the Audit Committee and the Shareholders' Meeting for discussion.</u> <u>2. If the preceding paragraph is not approved by more than half of the members of the Audit Committee, it should be approved by more than two thirds of the directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Meeting of the Board.</u> <u>3. All members of the Audit Committee referred to in the preceding two paragraphs and all directors referred to in the preceding paragraph shall be calculated by the actual incumbent.</u> <u>4. Any matters not covered in the operation procedures shall be handled in accordance with the relevant laws and regulations.</u>	X. Implementation and Amendment The Company intending to loan funds to others shall formulate its Operational Procedures for Loaning Funds to Others, and, after passage by the board of directors, submit the Procedures to each supervisor and submit them for approval by the shareholders' meeting; where any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the dissenting opinion to each supervisor and for discussion by the shareholders' meeting. The same shall apply to any amendments to the Procedures. In addition, the Company has set up independent directors. When the operation methods are submitted to the Board of Directors for discussion according to the preceding paragraph, the opinions of each independent director shall be fully considered. If the independent director has any objection or reservation, it shall be recorded in the minutes of the Meeting of the Board. Any matters not covered in the procedures shall be handled in accordance with the relevant laws and regulations.

Attachment 11. Comparison Table of Amendments to the "Procedures for Acquiring or Disposing of Assets"

Amended Provisions	Current Provisions
IV, Procedures for Determining Transaction Terms: I. Except for the securities that have been auctioned by the court, centralized trading market or the business office of securities firms, if meeting the announcement reporting standards specified in Article 7 of the procedures, the assets acquired or disposed of by the Company shall be approved by the Board of Directors in advance; If it meets the provisions of Article 185 of the Company Act, it shall be reported to the Board of Shareholders for approval. II. When the Company acquires or disposes of securities from the centralized trading market or the business office of security firms, if the assets fail to meet the announcement reporting standards required by the handling procedures, the Chairman of the Board of Directors should authorize executive units to handle the assets in accordance with the authority of his or her post and the methods of agent. III. The price determination method and reference basis of the assets mentioned in the preceding paragraph shall be handled according to the following situations: (The 1st paragraph is omitted) (The second paragraph is omitted) (III) As for the acquisition or disposal of real estate, equipment or its right to use assets, one shall determine and refer to the announced present value, assessed present value, and actual transaction price of adjacent real estate. If it meets the announcement reporting standards of this handling procedure, it shall be appraised by professional appraisal institution otherwise.	IV, Procedures for Determining Transaction Terms: I. Except for the securities that have been auctioned by the court, centralized trading market or the business office of securities firms, if meeting the announcement reporting standards specified in Article 7 of the procedures, the assets acquired or disposed of by the Company shall be approved by the Board of Directors in advance; If it meets the provisions of Article 185 of the Company Act, it shall be reported to the Board of Shareholders for approval. II. When the Company acquires or disposes of securities from the centralized trading market or the business office of security firms, if the assets fail to meet the announcement reporting standards required by the procedures, the Chairman of the Board of Directors should authorize executive units to handle the assets in accordance with the authority of his or her post and the methods of agent. III. The price determination method and reference basis of the assets mentioned in the preceding paragraph shall be handled according to the following situations: (The 1st paragraph is omitted) (The second paragraph is omitted) (III) As for the acquisition or disposal of real estate, equipment or its right to use assets, one shall determine and refer to the announced present value, assessed present value, and actual transaction price of adjacent real estate. If it meets the announcement reporting standards of this procedure, it shall be appraised by professional appraisal institution otherwise.
VII. Information Disclosure (Item I is omitted) II. The transaction amount of the preceding paragraph shall be calculated as follows: (The 1st paragraph is omitted) (The second paragraph is omitted) (The 3rd paragraph is omitted) (The 4th paragraph is omitted) (V) The term "within one year" mentioned from the second to fourth paragraph is based on the date of this transaction, and it is calculated one year backward. The part that has been announced in accordance with the provisions of	VII. Information Disclosure (Item I is omitted) II. The transaction amount of the preceding paragraph shall be calculated as follows: (The 1st paragraph is omitted) (The second paragraph is omitted) (The 3rd paragraph is omitted) (The 4th paragraph is omitted) (V) The term "within one year" mentioned from the second to fourth paragraph is based on the date of this transaction, and it is calculated one year backward. The part that has been announced in accordance with the provisions of

Amended Provisions	Current Provisions
the handling procedures shall not be included again.	the procedures shall not be included again.
VIII. Transactions of Related Parties (Item I is omitted) II. When acquiring or disposing of real estate or its right to use assets from a related party, or acquiring or disposing of assets other than real estate or its right to use assets with a related party, and the transaction amount reaches 20% of the Company's paid in capital, 10% of its total assets, or NT \$300 million or more, except for trading domestic government bonds, bonds with buy-back or sell-back conditions, and applying for or buying back money market funds issued by domestic securities investment trust enterprises, the following information should be submitted to the Audit Committee and the Board of Directors for approval, and then sign the transaction contract and making payment: (The 1st paragraph is omitted) (The second paragraph is omitted) (The 3rd paragraph is omitted) (The 4th paragraph is omitted) (The 5th paragraph is omitted) (The 6th paragraph is omitted) (The 7th paragraph is omitted) The amount of transaction shall be calculated in accordance with the provisions of paragraph 2 of Article 7. The amount that has been approved by the Audit Committee and the Board of Directors shall not be included again. (The following is omitted) (Item III is omitted) (Item IV is omitted) (Item V is omitted) (Item VI is omitted) VII. If the real estate or its right to use assets obtained from related parties are evaluated as lower than the transaction price according to items 3 to 6 of this Article, the following matters shall be handled: (The 1st paragraph is omitted) (II) The Audit Committee shall handle in accordance with Article 218 of the Company Act. (The 3rd paragraph is omitted)	VIII. Transactions of Related Parties (Item I is omitted) When acquiring or disposing of real estate or its right to use assets from a related party, or acquiring or disposing of assets other than real estate or its right to use assets with a related party, and the transaction amount reaches 20% of the Company's paid in capital, 10% of its total assets, or NT \$300 million or more, except for trading domestic government bonds, bonds with buy-back or sell-back conditions, and applying for or buying back money market funds issued by domestic securities investment trust enterprises, the following information should be submitted to the Board of Directors—and supervisors for approval, and then sign the transaction contract and making payment: (The 1st paragraph is omitted) (The second paragraph is omitted) (The 3rd paragraph is omitted) (The 4th paragraph is omitted) (The 5th paragraph is omitted) (The 6th paragraph is omitted) (The 7th paragraph is omitted) The amount of transaction shall be calculated in accordance with the provisions of paragraph 2 of Article 7. The amount that has been approved by the Board of Directors—and supervisors shall not be included again. (The following is omitted) (Item III is omitted) (Item IV is omitted) (Item V is omitted) (Item VI is omitted) VII. If the real estate or its right to use assets obtained from related parties are evaluated as lower than the transaction price according to items 3 to 6 of this Article, the following matters shall be handled: (The 1st paragraph is omitted) (II) The supervisors shall handle in accordance with Article 218 of the Company Act. (The 3rd paragraph is omitted)
XI. Trading in Derivatives (Item I is omitted) (Item III is omitted) (Item III is omitted) (Item IV is omitted)	XI. Trading in Derivatives (Item I is omitted) (Item III is omitted) (Item III is omitted) (Item IV is omitted)

Amended Provisions	Current Provisions
(Item V is omitted) (Item VI is omitted) VII. Internal audit system: the internal auditors of the Company shall regularly understand the appropriateness of internal control over derivative commodity transactions, and monthly audit the compliance of the trading department with the operating procedures for trading derivatives, and then work out the auditing report. If any major violations, they shall inform the Audit Committee in writing form.	(Item V is omitted) (Item VI is omitted) VII. Internal audit system: the internal auditors of the Company shall regularly understand the appropriateness of internal control over derivative commodity transactions, and monthly audit the compliance of the trading department with the operating procedures for trading derivatives, and then work out the auditing report. If any major violations, they shall inform the supervisors in writing form. VIII. While notifying the supervisors according to the preceding paragraph, the written notification shall be sent to the Independent Directors.
XIII. Other Matters: (Item I is omitted) (Item III is omitted) (III). If the acquisition or disposal of assets meets the announcement reporting standards as stipulated in the handling procedures, and the transaction object is a substantial related party, the contents of the announcement shall be disclosed in the notes to the financial statements and submitted to the Meeting of Shareholders. (Item IV is omitted) (V). Any matters not covered in this handling procedure shall be handled in accordance with relevant laws and regulations of the Company. If the competent authority has revised the original issuance letter for the procedures for obtaining or disposing of assets, the Company shall comply with the provisions of new letter.	XIII. Other Matters: (Item I is omitted) (Item III is omitted) (III). If the acquisition or disposal of assets meets the announcement reporting standards as stipulated in the procedures, and the transaction object is a substantial related party, the contents of the announcement shall be disclosed in the notes to the financial statements and submitted to the Meeting of Shareholders. (Item IV is omitted) (V). Any matters not covered in this procedure shall be handled in accordance with relevant laws and regulations of the Company. If the competent authority has revised the original issuance letter for the procedures for obtaining or disposing of assets, the Company shall comply with the provisions of new letter.
XIV. Implementation and Amendment <u>I. The setting of the handling procedures shall be approved by more than half of the members of the Audit Committee. The procedures hereof shall be submitted to the Board of Directors for resolution. After the approval of the Board of Directors, it shall be submitted to the Shareholders' Meeting for approval. And the amended ones shall be done at the same way. If any disagreement or disciplinary or written statement from the directors, the information of the director's disagreement shall be sent to the Audit Committee.</u> <u>II. If the preceding paragraph is not approved by more than half of the members of the Audit Committee, it should be approved by more than two thirds of the directors, and the resolution of the Audit Committee shall be recorded in the</u>	XIV. Implementation and Amendment This procedure and any amendments thereto, shall be submitted to the supervisors after passage by the board, and reported at the shareholders' meeting for approval prior to implementation. Same for any amendments. If any director's disagreement and there is a disciplinary or written statement, the information of the director's disagreement shall be sent to the supervisors.

Amended Provisions	Current Provisions
<u>minutes of the Meeting of the Board.</u> <u>III. All members of the Audit Committee referred to in the preceding two paragraphs and all directors referred to in the preceding paragraph shall be calculated by the actual incumbent.</u> <u>IV. When submitting to the Board of Directors for discussion according to the provisions of Paragraph I, the opinions of each independent director shall be fully considered. If the independent director has any objection or reservation, it shall be recorded in the minutes of the Meeting of the Board.</u> <u>V. Any matters not covered in the methods shall be handled in accordance with the relevant laws and regulations.</u>	When submitting to the Board of Directors for discussion according to the provisions of the preceding paragraph, the opinions of each independent director shall be fully considered. If the independent director has any objection or reservation, it shall be recorded in the minutes of the Meeting of the Board.

Attachment 12. Comparison Table of Amendments to the “Rules of Procedure for Shareholders Meetings”

Amended Provisions	Current Provisions
IV. Convene and Notice the Board of Shareholders (Item I is omitted) (II) 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 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. (Item III is omitted) (Item IV is omitted) (Item V is omitted) (VI) Details shall be listed and explained in the reasons for convening the meeting, including the appointment or removal of directors, change of Articles of Incorporation, reduction of capital, application for cessation of public offering, non competition permission of directors, conversion of surplus to capital increase, conversion of reserve to capital increase, dissolution, merger, division of the Company, or items in Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Security Exchange Law, or matters specified in Article 56-1 and Article 60-2 of the Criteria for handling the offering and issuance of securities by issuers, however, they shall not be put forward by temporary motion. (VII) The convention of the shareholders meeting has specified the overall reelection of the directors 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.	IV. Convene and Notice the Board of Shareholders (Item I is omitted) (II) 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. (Item III is omitted) (Item IV is omitted) (Item V is omitted) (VI) Motions of election or discharge of Directors, Supervisors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, split up of the company or any matters as set forth in Paragraph 1, Article 185 of the Company Act, hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be proposed as impromptu motions.; 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. (VII) 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.
VI. Calculation of the number of shares represented by the participating shareholders and the meeting: (Item I is omitted)	VI. Calculation of the number of shares represented by the participating shareholders and the meeting: (Item I is omitted)

Amended Provisions	Current Provisions
(II) The Chairman shall call the meeting to order at the appointed meeting time, at the same time, announce the number of non voting rights and the number of shares that are present. <u>(III) However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour of postponements. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting should be canceled.</u> <u>(IV) If the quorum does 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, attending shareholders may reach a tentat4e resolution pursuant to Paragraph 1, Article 175 of the Company Act. A notice of such tentat4e resolution shall be g4en to each of the shareholders, and reconvene a shareholders meeting within one month.</u> <u>(V) When, prior to conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the Chairman may resubmit the tentat4e resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</u>	(II) The Chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour of postponements. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements, the chairperson may announce that the meeting should be canceled. (III) If the quorum does 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, attending shareholders may reach a tentat4e resolution pursuant to Paragraph 1, Article 175 of the Company Act. A notice of such tentat4e resolution shall be g4en to each of the shareholders, and reconvene a shareholders meeting within one month. (IV) When, prior to conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the Chairman may resubmit the tentat4e resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
VII. Shareholder Attendance Registration: (Item I is omitted) (II) The Company shall furnish attending shareholders with the parliamentary procedure handbook, annual report, attendance card, speaker's slips, voting slips and other meeting materials; along with the election ballots if the directors are to be elected in that event.	VII. Shareholder Attendance Registration: (Item I is omitted) (II) The Company shall furnish attending shareholders with the parliamentary procedure handbook, annual report, attendance card, speaker's slips, voting slips and other meeting materials; along with the election ballots if the directors and supervisors are to be elected in that event.
VIII. Chairman of Meeting and Participants: (Item I is omitted) (Item III is omitted) (III) 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 independent director), and the convener of Audit Committee in person, and at least one member of other functional committee. The attendance shall be recorded in the meeting	VIII. Chairman of Meeting and Participants: (Item I is omitted) (Item III is omitted) (III) 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.

Amended Provisions	Current Provisions
minutes.	
IX. Meeting Procedure: (Item I is omitted) (Item III is omitted) (Item III is omitted) (Item IV is omitted) (V) 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 the number of election powers so won by them and the failure list of election, shall be announced on-the-spot.	IX. Meeting Procedure: (Item I is omitted) (Item III is omitted) (Item III is omitted) (Item IV is omitted) (V) Where directorsand 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 directorsand supervisors and the number of election powers so won by them, shall be announced on-the-spot.
XVI. Meeting minutes and signing items: (Item I is omitted) (Item III is omitted) (III) The minutes of shareholders meeting shall record faithfully 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 voting results (including the statistical tallies of the numbers of votes) of the meeting. Where directors are elected in a shareholders meeting, the number of election powers so won by them shall be disclosed. The meeting minutes shall be retained for as long as the Company is in existence.	XVI. Meeting minutes and signing items: (Item I is omitted) (Item III is omitted) (III) The minutes of shareholders meeting shall record faithfully 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 voting results (including the statistical tallies of the numbers of votes) of the meeting. Where directorsand supervisors are elected in a shareholders meeting, the number of election powers so won by them shall be disclosed. The meeting minutes shall be retained for as long as the Company is in existence.

Attachment 13. Comparison Table of Amendments to the “Election Procedure of Directors and Supervisors”

New name	Old name
Procedures for Election of Directors	Election Procedure of Directors and Supervisors

Amended Provisions	Current Provisions
I. Basis for Establishment: To ensure a just, fair, and open election of directors, the Procedure is formulated pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.	I. Basis for Establishment: To ensure a just, fair, and open election of directors and supervisors , the Procedures are adopted pursuant to Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".
II. Principles of compliance: Unless otherwise specified by laws or Articles of Incorporation, the election of directors of the company shall proceed according to the procedure.	II. Principles 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.
III. The criteria that shall be taken into account when electing directors: The overall composition of the Board of Directors shall be taken into consideration in the selection of this Company's directors. (Omitted)	III. The criteria that shall be taken into account when electing directors and supervisors : (4) The overall composition of the Board of Directors shall be taken into consideration in the selection of the Company's directors. (Omitted) (II) The qualifications that must be possessed by the supervisor of the Company are as follow: 1. Ethical. 2. Just when making a judgment. 3. Professional knowledge. 4. Experienced. 5. Capable of reading the financial statements. (III) In addition to the fact that the Company's supervisor holds the above qualifications, at least one of the supervisors shall be a financial accounting professional. (IV) 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. (V) At least one supervisor seat shall have no spousal relationship or familial relationship within the second degree of kinship with another supervisor or a director. (VI) A supervisor shall not be concurrently a director, a managerial officer or other staff/employee of the company. At least one of

Amended Provisions	Current Provisions
V. The appointment of directors: (I) The appointment of the Company's directors shall adopt the candidates' nomination system pursuant to Article 192-1 of the Company Act. <u>(II) 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.</u> <u>(II) When the number of independent directors is less than that according to the regulations of paragraph 1 of Article 14-2, the company shall hold an independent director by-election at the next following shareholders' meeting; when all independent directors are dismissed, a by-election shall be held at the interim meeting of shareholders within 60 days from the date of the fact.</u>	the supervisors shall have a domicile within the territory of the Republic of China to allow timely performance of supervisory functions. V. The appointment of directors and supervisors: (I) The appointment of the Company's directors and supervisors shall adopt the candidates' nomination system pursuant to Article 192-1 of the Company Act. (II) 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. (III) 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. (IV) 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. (V) 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

Amended Provisions	Current Provisions
<u>(IV) Election of the Company's directors shall proceed using the cumulative voting system. Each share shall be empowered with voting rights equal to the number of elected seats for directors. These voting rights may be concentrated on one candidate or spread across multiple candidates.</u> <u>(V) The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u> <u>(VI) The number of directors and independent directors will be as specified in the Company's Articles of Association, 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.</u> <u>(VII) Before the election begins, the Chairman 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.</u> <u>(VIII) The elector shall fill in the name or account name of the electee in the "Candidate" column of the ballot. 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</u>	meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies. (VI) The cumulative single registered voting method shall be used for election of the directors and supervisors of the Company. 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. (VII) 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. (VIII) The number of directors and supervisors of the Company 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 Chairman drawing lots on behalf of any person not in attendance. (IX) Before the election begins, the Chairman 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. (X) 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

Amended Provisions	Current Provisions
<u>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.</u> (IX) A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the convener. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidates filled in are inconsistent with the list of candidates for directors. 5. Ballots that contain writings other than the candidate's name and account name. 6. Two or more candidates for the same ballot. <u>(X) 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 and the numbers of votes with which they were elected, shall be announced by the Chairman on the site.</u> <u>(XI) 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. In the event a lawsuit regarding the Directors election under Article 189 of the Company Law, those ballots shall be archived until the conclusion of the lawsuit.</u> <u>(XII) The board of directors of this Corporation shall issue notifications to the persons elected as directors.</u>	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. (XI) A ballot is invalid under any of the following circumstances: 1. The ballot was not prepared by the board of directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder and a cross-check shows that the candidate's name and identity card number do not match. 5. Ballots that contain writings other than the candidate's name and shareholder ID (or identity document number). 6. The candidate's name written on the ballot coincides with other shareholders, but no information such as shareholder ID or ID card number has been provided for identification. (XII) 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 Chairman on the site. (XIII) 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. In the event a lawsuit regarding the Directors election under Article 189 of the Company Law, those ballots shall be archived until the conclusion of the lawsuit. (XIV) The board of directors of this Corporation shall issue notifications to the persons elected as directors or supervisors.

Attachment 14. Comparison Table of the "Rules on Scope of Authority of Supervisors"

Amended Provisions	Current Provisions
(Delete)	I. — Article 1 Purposes of adoption of these Rules: To ensure the normal business operation of this Company and to develop an effective, comprehensive, and robust supervisory system for the supervisors, allowing supervisors to fulfill their functions, and for the purpose of strengthening this Company's internal monitoring mechanisms and ensuring sound corporate governance, in order to fulfill the responsibility for safeguarding the rights and interests of this Company and all of its shareholders, these Rules are adopted pursuant to the provisions of Chapter IV of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies. II. — Scope of application for these Rules: Except as otherwise provided by law or regulation or by the articles of incorporation, the powers and duties of the supervisors of this Company and the matters to be carried out by this Company when the supervisors exercise their powers shall be as set forth in these Rules. III. — Scope of duties: The supervisors shall faithfully perform their duties and fulfill the obligation to exercise the due care of a good administrator. They shall maintain a high degree of self-discipline and adopt a prudential attitude in supervising the business and financial conditions of this Company, in order to safeguard the rights and interests of this Company and its shareholders. If in the course of their duties a supervisor violates a law, regulation, or the articles of incorporation, or if a supervisor neglects his or her supervisory duties, thereby causing damage to this Company, the supervisor shall be legally held liable to this Company for damages. IV. — Exercise of supervisory powers: A supervisor shall be familiar with the relevant laws and regulations, shall understand the rights, obligations, and duties of the directors of this Company and the respective functions, duties, and operations of each department. Supervisors shall attend meetings of the board of directors to oversee its operation and to state their opinions when appropriate so as to control or discover any irregularity as early as possible.

Amended Provisions	Current Provisions
(Delete)	In the exercise of supervisory powers by each respective supervisor, a supervisor that deems it necessary may convene a meeting, in consideration the overall interest of this Company and the shareholders, to exchange opinions with other supervisors, provided that in so doing the independent exercise of powers by other supervisors is not obstructed. V. Supervision of business operations, the management team, and the internal control system of this Company: The supervisors shall monitor the business operations of this Company, examine its financial and business conditions from time to time, and review its books and records. They may request reports to be presented by the board of directors or any of the managerial officers in order to understand the status of performance of their respective duties, and shall attend to the effectiveness and implementation of the internal control system so as to reduce the financial and operational risks of this Company. VI. Notification of meetings of the board of directors: When a meeting of the board of directors is held, each supervisor shall be notified of the meeting in accordance with the provisions of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and the meeting notice and sufficient meeting materials shall be delivered to all supervisors. VII. Recusal: The supervisors shall maintain a high degree of self-discipline; when a proposal put forward at a meeting bears on the personal interest of a supervisor, and such relationship is likely to prejudice the interest of this Company, the supervisor shall enter into recusal. VIII. Limiting violations of law by the board or a director in the course of duties: Upon discovering any violation of a law or regulation, the articles of incorporation, or a shareholders meeting resolution by the board of directors or by a director in the course of their duties, a supervisor shall immediately notify the board of directors or the director to cease such conduct.

Amended Provisions	Current Provisions
(Delete)	IX. — Reviewing the books and records of this Company: The supervisors shall thoroughly review and issue a report on the various books and records (including business reports, financial statements, proposals for distribution of earnings or for covering of losses) compiled by the board of directors and presented at shareholders meetings, and shall state their opinion at the shareholder meeting. X. — Review of the business and finances of this Company: A supervisor may at any time investigate the financial and business conditions of this Company, and the relevant departments in this Company shall provide the books and documents that may be required by the investigation. When reviewing the financial or business conditions of this Company, a supervisor may retain attorneys or accountants on behalf of this Company to perform the review, provided that they shall inform the relevant persons of their confidentiality obligations. The board of directors or managerial officers shall submit reports at the request of a supervisor and may not for any reason obstruct, evade, or refuse the inspections of the supervisors. When a supervisor performs his or her duties, this Company shall provide the necessary assistance in accordance with the needs of the supervisor, and any reasonable expenses required for such assistance shall be borne by this Company. XI. — Communication channels with relevant personnel in this Company: The supervisors shall conduct periodic discussions with the internal auditors regarding their examination of deficiencies in the internal control system, and shall make a record of the discussions. This Company shall establish a channel for communication between its employees, shareholders, and interested parties and the supervisors in order to facilitate the supervisory duties of the supervisors. Upon discovering any misconduct, a supervisor shall take timely measures to curb its expansion, and if necessary shall file a report with the competent authority or relevant regulatory

Amended Provisions	Current Provisions
(Delete)	agencies. If any of a TSWE or GTSM listed company's independent directors, general managers, heads of finance, accounting, research and development, or internal audit departments, or CPAs resigns or is removed from their position, the supervisors shall closely investigate the reasons and make necessary recommendations or take necessary measures. XII. Liability insurance for supervisors: It is advisable that this Company, in accordance with the articles of incorporation or the resolution of a shareholders meeting, take out liability insurance for the supervisors with respect to liabilities resulting from the performance of duties during their terms of office, so as to reduce and spread the risk of material damage to the rights and interests of this Company and the shareholders as a result of error or negligence on the part of a supervisor. XIII. Continuing education for supervisors: Upon becoming a supervisor and throughout their term in that position, a supervisor is advised to participate in training courses covering subjects related to corporate governance, such as finance, risk management, business, commerce, accounting, law, or corporate social responsibility, offered by the institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and GTSM Listed Companies. XIV. Supplementary provisions: These Rules, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Attachment 15. Candidates List for Directors (Including Independent Directors)

Apr 26, 2021 Unit: thousand share

Candidate Item	Candidate Name	Shareholding	Experience (Education)	Reason for nominating one who has already served as an independent director for three consecutive terms
Director	Liao, Shih-Fang	3,437	Education: 1. Graduate School of Architecture, Tam Kang University 2. Department of Architecture, National Cheng Kung University Experience: Chen Xin Chang Architects Assistant	Not applicable
	Wu, Tsung-Hsien	373	Education: Department of Information Management, Yu Da University of Science and Technology Experience: Vice President of ADDCN Technology Co., Ltd	Not applicable
	Cheng Yu investment ltd	2,254	-	Not applicable
	Wang, Chung-Ping	0	Education: 1. PhD., Accounting Institute, Jinan University, Guangzhou 2. Master, Business Administration, Soochow University Experience: Partner Accountants, Jia Wei & Co., CPAs	Not applicable
Independent Directo	Chen, Fu-Mei	0	Education: 1. PhD, Business Administration, Soochow University 2. Graduate School of Business Administration and Multimedia Information Technology Education , University of Leeds Experience: 1. Teaching Assistant, National Taipei University of Technology 2. Lecturer and Teaching Assistant, National Taitung University	Note1
	Lien, Chi-Jui	0	Education: PhD., Science Education, University of Iowa, USA Experience: 1. Vice President, National Taipei University of Education	Note2

Candidate Item	Candidate Name	Shareholding	Experience (Education)	Reason for nominating one who has already served as an independent director for three consecutive terms
			2. Professor, National Taipei University of Education	
	Chen, Su-Ting	0	Education: 1. Master, College of Management, National Taiwan Sport University 2. Two-Year Junior College Program, Accounting Section, Takming University of Science and Technology Experience: 1. President, Lien Chin CPA Firm 2. Supervisor, Taiwan Provincial Accountant Association 3. Supervisor, Chin Chwang Commercial Vocational High School Foundation	Not applicable

Note 1: Ms. Chen, Fu-Mei has extensive experience in business administration and provides the Company with important recommendations. Although she has served as an independent director of the Company for three terms, the Company still relies on her expertise. In addition to fulfilling her duties as an independent director, she also offers her expertise while supervising the Board of Directors and providing professional advice to the Board of Directors. Therefore, the Company intends to continue to nominate her as an independent director candidate for this election.

Note 2: Mr. Lien, Chi-Jui is a reputable scholar in his academic field and provides the Company with important recommendations. Although he has served as an independent director of the Company for three terms, the Company still relies on her expertise. In addition to fulfilling his duties as an independent director, he also offers his expertise while supervising the Board of Directors and providing professional advice to the Board of Directors. Therefore, the Company intends to continue to nominate him as an independent director candidate for this election.

Attachment 16. Competition details for Directors (including Independent Directors).

Name	Concurrent Company Name	Position
Liao, Shih-Fang	(01) i-View Process Post-Production Corp (02) Magcom Co., Ltd (03) ADDWE Technology Co., Ltd (04) Sheng Cheng investment ltd (05) Jia Lin investment ltd (06) Qian Yi investment ltd (07) Local Scenery Film Co., Ltd. (08) Dongguan Magcom Co., Ltd. (09)ADDCN(SAMOA) (10) ADDcn Technology (Shenzhen) Co., Ltd (11) ADDcn Technology (Hong Kong) Co., Ltd (12) Jhen Vei Electronic Co., Ltd. (13) Jia Lin III Venture Capital Co., Ltd	Chairman and General manager Corporate Chairman Representative Chairman Chairman Corporate Director Representative Corporate Chairman Representative Corporate Director Representative Corporate Chairman Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Director Representative Corporate Chairman Representative
Wang, Chung-Ping	(01) TaiDoc Technology Co. (02) Tex Year Industries Inc. (03) Jia Lin investment ltd	Supervisor Independent Director Corporate Supervisor Representative
Chen, Fu-Mei	Incubation Center,National TaipeiUniversity of Science and Technology	Manager,
Lien, Chi-Jui	(01) National Taipei University of Education (02) Taiwan Taomee Co., Ltd	Adjunct Professor Independent Director
Chen,Su-Ting	Chin Chwang Commercial Vocational High School Foundation	Supervisor

Appendix 1. Codes of Ethical Conduct

1. Purpose and Basis of Establishment:

To guide the conduct of the Company's personnel in line with the ethical standards, and make the company's stakeholders more aware of the company's ethical standards, this Codes is formulated for compliance.

2. Applicable Object:

(I) The Company's directors, managers (including general manager and personnel at equivalent level, deputy general manager and personnel at equivalent level, assistant manager and personnel at equivalent level, manager and personnel at equivalent level, head of financial department, head of accounting department, and other persons who are in charge of management affairs and have signature rights for the Company) and other employees.

(II) The staff of the preceding paragraph are referred to as "the Company's personnel".

3. Principle of good faith:

The Company and its personnel should abide by the code of ethics in the operation and performance of their duties, and adhere to the positive, enterprising, serious and responsible attitude, abandon departmental selfishness, pay attention to team spirit, and follow the principle of good faith.

4. Prevention of conflict of interest:

(I) The Company's personnel shall handle their official duties in an objective and effective manner, and shall not gain improper benefits to himself based upon his or her position or spouse or relatives in the Company.

(II) When the affiliates of the personnel referred to in the preceding paragraph lends funds to or provides guarantee for the Company and its subsidiaries, major asset transactions, and purchase (sales) of goods, the personnel of the Company shall take the initiative to explain to the Company whether there is any potential conflict of interest with the Company and its subsidiaries.

5. Self-benefiting practices shall be avoided.

The personnel of the Company shall follow the following rules:

(I) It is not allowed to use the Company's property, information or take advantage of its position for personal gain.

(II) It is not allowed to compete with the Company, unless the restriction on non competition is removed with the consent of the shareholders' meeting.

(III) When the Company has opportunities to get profits, it has the responsibility to increase the legitimate interests that the Company or its subsidiaries can obtain.

(IV) Do not engage in any behavior prohibited by the code of conduct or other relevant regulations of the Company.

6. Confidentiality:

The personnel of the Company shall be obliged to keep confidential for the technical or non-technical information of the Company or its subsidiaries, or the information of its customers who purchase (sell) goods, except for being disclosed by authorization or by law. The confidential information includes all unpublished information that may be used or leaked by competitors, resulting in loss to the company, subsidiaries or customers.

7. Fair trade:

- (I) The Company's personnel shall treat the company's customers, competitors and employees fairly, and shall not obtain improper benefits by manipulating, concealing or abusing the information based on their duties, or making false statements about important matters or other unfair trading methods.
- (II) The Company's personnel shall not act on behalf of their personal, company or a third-party interest in the course of performing their duties make any request, offer, delivery or receive any form of gifts, entertainment, rebates, bribery or other improper benefits. However, if the gift or entertainment is permitted by social etiquette and customs or Company regulations, this restriction shall not apply.

8. Protect and use the Company assets properly :

The Company's personnel are responsible for protecting the company's assets and shall ensure that they can be used effectively and legally in official business.

9. Follows Laws and Regulations:

- (I) The company's personnel shall abide by other laws and regulations related to the Company Act, Security Exchange Law and other relevant laws and regulations.
- (II) The company shall strengthen the advocacy of ethics, and encourage employees to actively report to independent directors, managers, internal audit supervisors or other appropriate personnel when they suspect or find violations of laws and regulations, and provide sufficient information to help the Company to properly handle subsequent matters. In order to encourage employees to report illegal conduct, the Company shall establish a concrete whistleblowing system, allow anonymous whistleblowing, and make employees aware that the Company will use its best efforts to ensure the safety of informants whistleblowers and protect them from reprisals.
- (III) The company will handle the reported cases in a confidential manner, which will be verified by independent channels, and will spare no effort to protect the informants.

10. Punishment and Relief:

- (I) When any director or manager violates the code, the company shall deal with it in accordance with relevant regulations, and disclose the date and reason of violation, the violation of code and the handling situation of the violator at the public information observatory in real time.
- (II) Where the violator is subject to disciplinary actions for violating the Codes, the violator may appeal in accordance with relevant regulations.

11. Procedures for Exemption:

If it is necessary for a director or manager to exempt himself from the provisions of the codes, he / she shall pass a resolution from the Board of Directors, and disclose the date of the Board's approval of the exemption. Besides, the objection or reservation of the Independent Directors, the period of application of the exemption, the reasons and the codes should be published at the public information observatory in real time. So the shareholders can evaluate whether the resolution of the Board of Directors is appropriate. All is to prevent the occurrence of arbitrary or suspicious exemption from compliance with the codes, and ensure that any exemption from compliance with the codes has an appropriate control mechanism, and protect the company.

12. Disclosure Methods:

The company shall disclose the codes on the company's website, annual report, prospectus and public information observatory, and the amended ones shall be done at the same way.

13. Supplementary Provisions:

- (I) The codes shall be implemented with the approval of the Audit Committee and the approval of the Board of Directors, and shall be submitted to the shareholders' meeting, and the amended ones shall be done at the same way.
- (II) Any matters not covered in the codes shall be handled in accordance with the relevant laws and regulations.

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, 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.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managerial officers, employees or substantial controllers or other stakeholders.

3. Types of Benefits:

"Benefits" in these Principles refer to any valuable things, including money, endowments, commissions, positions, services, preferential treatment, or rebates in any form or name. However, benefits received or given occasionally in line with accepted social customs and that do not adversely affect specific rights and obligations are not subject to this requirement.

4. Follows Laws and Regulations:

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:

Merry shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, 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 ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its Group's businesses and organizations are operating.

In the course of developing the prevention programs, the Company shall negotiate with staff, 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:

- (I) Offering and acceptance of bribes.
- (II) Illegal political donations.
- (III) Improper charitable donations or sponsorship.
- (IV) Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
- (V) Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
- (VI) Engaging in unfair competitive practices.
- (VII) 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.

Merry shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

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, 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, 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, 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, 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, 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:

Merry shall engage in business activities in accordance with applicable competition laws and regulations, and shall not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

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, 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 products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, Merry shall, in principle, recall those products or suspend the services immediately.

17. Organization and Responsibilities:

The directors, 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):

- (I) Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate preventive measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- (II) Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the operations and business.
- (III) Plan internal organization, structure, and allocation of responsibilities. Set up mutual supervision and checks-and-balance mechanisms for operating activities within the business scope that are at high risk of unethical conduct.
- (IV) Promoting and coordinating awareness and educational activities with respect to ethics policy.
- (V) Developing a whistle-blowing system and ensuring its operating effectiveness.
- (VI) Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

18. Compliance in Business Dealings:

The Company and the directors, 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. Avoidance of Interests:

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of 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, 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. Directors shall also exercise self-discipline among themselves and avoid

collusion.

The Company' directors, managerial officers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the Company to obtain improper benefits for themselves, their spouses, parents, children or any other person.

20. Accounting and Internal Control:

With regard to the business activities with high risk of dishonesty, the Company shall establish an effective accounting system and internal control system without external accounts or secret accounts, and shall review it at any time to ensure the design and implementation of the system is effective continuously.

The internal audit unit of Merry shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit and may engage professionals to assist if necessary.

The results of examination referred to in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the Board of Directors.

21. Training and Appraisal:

The Chairman, President, or the senior management of the Company shall communicate the importance of corporate ethics to 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:

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

- (I) The Company has established and announced an internal independent mailbox, hotline, or commissioned other external independent organizations to provide whistle-blowing mailbox and hotline for the Company's internal and external personnel.
- (II) The dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
- (III) After the investigation of the prescribed prosecution case is completed, follow-up measures to be taken in accordance with the severity of the circumstances shall be reported to the competent authority or transferred to the judicial organ for investigation if necessary.
- (IV) Documentation of case acceptance, investigation processes, investigation results, and relevant documents.

- (V) Confidentiality of the identity of whistle-blowers and the content of reported cases, and an undertaking regarding anonymous reporting.
- (VI) Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
- (VII) Whistle-blowing incentive measures.
- (VIII) When material misconduct or likelihood of material impairment to the Company comes to the awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

23. Discipline and Grievance System:

Merry shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the intranet 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, 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. Supplementary Provisions:

The principles shall be implemented upon approval from the Board of Directors, and are submitted to the shareholders' meeting. And the amended ones shall be done at the same way.

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.

Any matters not covered in the Rules shall be handled in accordance with relevant laws and regulations.

Appendix 3. Procedures for Ethical Management and Guidelines for Conduct

1. Purpose and Scope of Application:

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

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

2. Applicable Object:

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

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

3. Unethical Conducts:

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

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

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):

- (I) Assisting in incorporating ethics and moral values into this Corporation's business strategy and adopting appropriate preventive measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
- (II) Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the operations and business.
- (III) Plan internal organization, structure, and allocation of responsibilities. Set up mutual supervision and checks-and-balance mechanisms for operating activities within the business scope that are at high risk of unethical conduct.
- (IV) Promoting and coordinating awareness and educational activities with respect to ethics policy.
- (V) Developing a whistle-blowing system and ensuring its operating effectiveness.
- (VI) Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
- (VII) Compile documented information on the ethical management policy, statement, commitment and implementation and retain said information properly.

6. Prohibition against providing or accepting improper benefits:

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

- (I) Based on business needs, local courtesies, customs, and habits should be followed during domestic/foreign visits, guest-hosting, and promoting business and communication.
- (II) Normal social events attended or held and inviting others based on social etiquette, business purposes, or improving relationships.
- (III) Inviting guests or being invited to participate in specific business activities or factory tours due to business needs. Fees and payment methods for such activities shall be clearly stated before the event, including the number of participants, level of accommodation, and duration, etc.
- (IV) Attendance at folk festivals that are openly-held and invite the attendance of the general public.
- (V) Rewards, emergency assistance, condolence payments, or honorariums of the management.
- (VI) 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.
- (VII) 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.

(VIII) 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 this Corporation 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:

- (I) 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.
- (II) If there is a relationship of interest between the party offering or promising the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to their immediate supervisor and notify the dedicated unit. When the benefit cannot be returned, the personnel shall refer the matter to the responsible unit within three days after accepting the benefit for further action

The aforementioned job stake refers to any one of the following:

- (I) When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
- (II) When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
- (III) Other circumstances in which a decision regarding Merry'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 not offer or promise to offer any bribery.

Personnel of the Company who provide or promise bribes because of threats or intimidation shall record the process and report to their direct supervisor as well as notify the Company's dedicated unit.

The Company's dedicated unit shall handle the matter immediately when a report of the aforementioned items is received. The dedicated unit shall discuss the event to lower the risk of reoccurrence. In a case involving alleged illegality, the dedicated 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:

- (I) Shall comply with the local laws of the operating site.
- (II) A written record of the decision shall be made.
- (III) Charitable donations shall be made to charitable organizations and may not be used as disguised bribes.
- (IV) Considering what can be gained in exchange for sponsorship must be clearly defined and reasonable. The recipient of sponsorship cannot be a business partner or person with interests in the Company.
- (V) After the donation or sponsorship has been granted, it must be confirmed that the funds are used in accordance with the intended purpose.

11. Avoidance of Interests:

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, 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. Directors shall also exercise self-discipline and must not support one another in improper dealings.

Where the spouse or a blood relative within the second degree of kinship of a Director, or a Director's controlling or affiliated company has interests in the aforementioned agenda item, the Director shall be deemed to have a personal interest in the matter.

If in the course of conducting company business, any personnel of this Corporation 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 this Corporation may use company resources on commercial activities other than those of this Corporation, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of this Corporation.

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

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

All personnel of this Corporation 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 this Corporation of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of this Corporation 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 this Corporation 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 this Corporation shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of this Corporation acquired as a result, and that they may not use such information without the prior consent of this Corporation.

14. Prohibition Against Engaging in Unfair Competitive Practices:

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

15. Preventing Product or Service Damage to Stakeholders:

This Corporation shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of this Corporation 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.

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

Where there are media reports or sufficient facts to determine that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders 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:

Merry shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

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:

- (I) The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
- (II) Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
- (III) Whether enterprise's business operations are located in a country with a high risk of corruption.
- (IV) Whether the business operated by the enterprise is in an industry with a high risk of bribery.
- (V) The long-term business condition and degree of goodwill of the enterprise.
- (VI) Consultation with the enterprise's business partners on their opinion of the enterprise.
- (VII) 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:

While conducting businesses, the Company's personnel shall clarify the Company's ethical management policy and other related regulations to the transaction partner. Company personnel shall clearly refuse to directly or indirectly offer, promise to offer, request, or accept any forms of improper benefits.

19. Avoidance of commercial dealings with unethical operators:

The Company's personnel shall avoid businesses with agents, suppliers, customers, or other entities who engage in unethical conduct. Any existing business shall be stopped and the entities shall be listed on the banned list to implement the Company's ethical management policy.

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:

- (I) 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. 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 damage compensation, and may also deduct the full amount of the damages from the contract price payable.

- (II) 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.
- (III) 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 the company

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.

This Corporation shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. The following information must be provided by the whistleblower:

- (I) 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.
- (II) The informed party's name or other information sufficient to distinguish its identifying features.
- (III) 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 this Corporation shall observe the following procedure:

- (I) Information shall be reported to the department head if involving the rank and file and to an independent director if involving a director or a senior executive.
- (II) 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.
- (III) If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
- (IV) Documentation of case acceptance, investigation processes and investigation results shall be retained for 5 years and may be retained electronically. In the event of a suit in respect of the whistle-blowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
- (V) With respect to a confirmed information, Merry shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
- (VI) 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 this Corporation discovers that another party has engaged in unethical conduct towards this Corporation, and such unethical conduct involves alleged illegality, this Corporation shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, this Corporation 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.

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

* These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting.

24. Supplementary Provisions:

These Principles and Guidelines shall be implemented after the board of directors grants approval, and shall be reported at a shareholders' meeting. And the amended ones shall be done at the same way.

When the company submits these Procedures and Code to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

Any matters not covered in the operation procedure and the Guides, all the matters shall be handled in accordance with the relevant laws and regulations.

Appendix 4. 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:

1. CC01110 Computers and Computing Peripheral Equipments Manufacturing
2. CC01120 Data Storage Media Manufacturing and Duplicating
3. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
4. F113020 Wholesale of Household Appliance
5. F113050 Wholesale of Computing and Business Machinery Equipment
6. F113070 Wholesale of Telecom Instruments
7. F118010 Wholesale of Computer Software
8. F119010 Wholesale of Electronic Materials
9. F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
10. F213010 Retail Sale of Household Appliance
11. F213030 Retail sale of Computing and Business Machinery Equipment
12. F213060 Retail Sale of Telecom Instruments
13. F218010 Retail Sale of Computer Software
14. F219010 Retail Sale of Electronic Materials
15. F399040 Retail Business Without Shop
16. F601010 Intellectual Property
17. G801010 Warehousing and Storage
18. I103060 Management Consulting Services
19. I301010 Software Design Services
20. I301020 Data Processing Services
21. I301030 Digital Information Supply Services
22. I401010 General Advertising Services
23. I401020 Leaflet Distribution
24. IZ02010 Typewriting Services
25. IZ04010 Translation Services
26. IZ12010 Manpower Services
27. IZ13010 Internet Identify Services
28. IZ15010 Marketing Research and Opinion Poll
29. J101010 Buildings Cleaning Service
30. J302010 Press Release
31. J303010 Magazine and Periodical Publication
32. J304010 Book Publishers
33. JB01010 Exhibition Services
34. H703090 Real Estate Commerce
35. H703100 Real Estate Rental and Leasing
36. JZ99050 Agency Services
37. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

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

Article 3: The Company 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 the director representing the Company, 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. The candidates nomination system is adopted according to the Company Act. The shareholders shall elect the directors from among the nominees listed in the roster of director candidates. Directors and supervisors shall have tenure of 3 years and may be assume a second term of office if reelected.

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 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.

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.

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 unexposed 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.

The 17th amendment was on June 18, 2020.

Appendix 5. Operation Method of Endorsement Guarantee

1. Goals and Applicable Laws and Regulations

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

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

(1) Financing endorsement/guarantee, including:

- Discount note;
- Endorsement/guarantee for the purpose of financing other companies;
- Issuing separate bills for non-financial undertakings for the purpose of financing the Company.

(2) Endorsements/guarantees of custom duties due from the Company or other companies.

(3) Other endorsements/guarantees that are not classified as prior two types.

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

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

(1) Companies or business with business relationship with the Company.

(2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.

(3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.

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

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

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

4. Amount of Endorsement and Guarantee

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

(1) The total amount of the company's external endorsement and guarantee shall not exceed 40% of the net worth of the most recent financial statements.

(2) The aggregate amount of endorsement and guarantee provided to any single enterprise shall not exceed 20% of the net worth of the most recent financial statement. However, if the endorsement/guarantee is provided to any individual due to business relationships, the amount shall not exceed the total amount of business transactions between the two parties of the past 12 months. The business amount refers to purchase amount or sales amount of the goods between the parties, whichever is higher.

5. Hierarchy of Decision-making Authority and Delegation Thereof

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

6. Procedures for Making Endorsement and Guarantee

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

7. Custody and Procedures of Company Seal

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

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

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

8. Guidelines for Making Endorsement and Guarantee

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

9. Announcement and Reporting Procedures

- (1) The Company shall announce and report the previous month's loan balances of endorsements/guarantees to its head office and the Subsidiaries by the 10th day of each month.
- (2) The Company whose balance of endorsements/guarantees reaches one of the following levels shall announce and report such an event within two days commencing immediately from the date of occurrence of the fact:
 - The balance of endorsements/guarantees reaches at least 50 percent of the Company's net worth as stated in its latest financial statement.
 - The balance of endorsements/guarantees by the Company to a single enterprise reaches at least 20 percent of the Company's net worth as stated in its latest financial statement.
 - The balance of endorsements/ guarantees for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements / guarantees for, carrying value of the equity method to account for its investment in, and balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial statement.
 - The amount of added endorsements/guarantees by the Company reaches NT\$30 million or more, and reaches at least 2 percent of the Company's net worth as stated in its latest financial statement.
- (3) If there is any reporting and announcement required for the Company's Subsidiary which is not a Taiwan public company, the Company will follow the requirement on behalf of its Subsidiary.

The ratio of the amount of endorsements/guarantees to the Company's net worth as referred above is calculated by an aggregate of balance of endorsements/guarantees by the Company and its Subsidiaries.
- (4) The Company shall regularly evaluate and list the contingent loss of the endorsement, properly disclose the endorsement/guarantee information in the financial statements, and

provide relevant information to the CPA for the accountants to adopt the necessary checking procedures.

- (5) The term "date of occurrence of the fact" as used in the as used in Paragraph 2 of this Article refers to the date of contract signing, date of payment, dates of resolutions of the Board of directors, or other date that can confirm the subject of endorsements/guarantees and monetary amount of the loan, whichever date is earlier.

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

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

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

11. Penalty

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

12. Implementation and Amendment

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

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

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

Appendix 6. Operating Procedures for Fund Loan to Others

1. Goals and Applicable Laws and Regulations

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

2. Loaning Fund and Object and Evaluation Criteria

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

- (1) Companies or business with business relationship with the Company; "business relationship" as referred to above shall mean businesses who have purchase or sale agreement with the Company.
- (2) A company or business with a short-term financing need offered by the Company; which the Company holds, directly or indirectly, at least 50% of the voting shares, the short-term financing may be granted only to those who have business needs.

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

- (1) The total amount of the Company's loan of funds shall not exceed 40% of the net value of the latest financial statements of the Company, of which:
 - the individual loans and amounts are not more than the total amount of business transaction amount between the two parties of the past 12 months ("Business transaction amount" refers to the amount of purchase or sale between the parties, whichever is higher) It shall not exceed 10% of the net worth of the Company. Where funds are lent to a company or business with business relationship, the accumulated amount of such loan shall not exceed 20% of the net worth of the Company.
 - Where an inter-company or inter-firm business transaction calls for a short-term financing: the amount of an individual loan shall not exceed the business transaction amount in the past year between the parties. The total amount of the loan shall not exceed more than 20% of the Company's net worth as stated in its latest financial statement.
- (2) A company or business with a short-term financing need offered by the Company; which the Company holds, directly or indirectly, at least 50% of the voting shares, the short-term financing may be granted only to those who have business needs.
- (3) The short term as referred to in this operating procedure is one year. However, when the company's operating cycle is longer than one year, the operating cycle shall prevail.
- (4) The amount of financing as referred to in this operating procedure is the accumulated balance of the Company's short-term financing.
- (5) "Net worth" as referred to in the Procedures shall be equity attributable to owners of the parent company in the balance sheet, under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

4. Duration of Loans and Calculation of Interest

- (1) Each loan and term of the loan shall not exceed one year or one business cycle from the date of the loan. (The longer one shall be given priority)
- (2) The calculation of the interest on the loan of funds is based on the daily interest rate. The interest amount is the sum of your balance on each day (also known as "the total product")

multiplied by its annual interest rate and then divided by 365. The annual interest rate shall not be lower than the Company's short-term bank interest rates on average.

- (3) In addition to the special provisions, the loan interest rate shall be paid on a monthly basis, and the borrower shall be notified of the interest payment one week prior to the due dates.

5. Handling and Analytical Procedures

(1) Application procedure

- The borrower shall provide basic information and financial status, and fill in the application form, which shall consist of information about funds, the period of the loan and the amount, and send it to the Company's finance and accounting department. Careful assessments of the necessity and rationality are required of the finance and accounting department.
- Where funds are lent to a company or business with business relationships with the Company, the case officer from the Company's finance and accounting department shall evaluate the loan and ensure that the amount is equivalent to the amount of business transactions; where short-term financing is necessary, reasons and circumstances of obtaining loans and funds shall be listed, along with credit investigation. The relevant information and the proposed loan requirement shall be submitted to the head and the general manager of the finance and accounting department, and following that is to report to the board of directors. (The following contents are not amended, and therefore are omitted.).
- Independent directors play a vital role to the Company. When submitting the operating procedure to the board of directors for discussion, in accordance with the preceding paragraph, their opinions shall be considered. Any agreements or objections the independent directors have presented shall be stated in detail in the board of directors meeting minutes.

(2) Credit investigation

- For an initial borrower, it is essential to provide basic information and financial report for the sake of credit investigation.
- When it comes to continual borrowers, credit investigation shall be re-applied when the renewal is proposed. Any significant event or of an emergency could be handled at any time as needed.
- If the borrower's financial condition is good and the annual financial statement has been filed with financial certification by CPAs (Certified Public Accountant), the investigation that has not been reported more than one year shall be used. Report assessed and certified by the CPA is another reference for the loan.
- The Company's credit investigation and risk assessment shall also indicate the impact on the Company's operational risk for loaning, financial condition and shareholders' equity.

(3) Loan approval and notification

- After the credit investigation and evaluation, if the board of directors disagreed with the loaning, the case officer shall respond to borrower about the refusal as soon as possible.
- After the credit investigation and evaluation, if the board of directors agreed with the loaning, the case officer shall inform the borrower of the approval as soon as possible, detailing the Company's terms and conditions of loan, including the amount, period, interest rate, collateral and guarantor, etc. Ask the borrower to complete the agreement signing before it's due.

(4) Identity Verification

- Loan contract terms and conditions shall be drafted by the case officer and reviewed by the chief, and then sent to a legal counsel for verification before signing the contract.

- The contents of the contract shall be in accordance with the approved conditions of borrowing. After the borrower and the joint guarantor sign the contract, the case officer shall complete the identity verification as a formality.

(5) Collateral values assessment and setting the pledge

Except for the subsidiaries in which the Company directly or indirectly holds more than 50% of the voting shares, promissory notes with the same amount, collateral or other guarantees required by the company shall be provided. The guarantor provider shall deal with pledge or setting the pledge. The company shall also need to deal with collateral evaluations for the creditor's right management.

(6) Insurance

- In addition to land and securities, the collateral should be insured against fire and other related risks. The amount of insurance shall not be lower than that of the pledged collateral. The Company shall be indicated as the beneficiary on the insurance policy. The items, quantity, storage location, insurance conditions, insurance approval, etc. indicated on the policy shall be in accordance with the original loan conditions of the Company.
- The case officer shall notify the borrower to renew their policy before it expires.

(7) Funding

After the loan conditions are approved and signed by the borrower, the collateral registration is completed, and all the procedures are verified, the funds will be allocated.

(8) Repayment

After funding, the financial and business credit report and other credit status of the borrowers and the guarantors shall be checked regularly. Any variations in the collateral value shall be noted. The borrower shall be notified to pay off the principal and interest one month before the loan is due.

- Borrowers shall calculate the interest payable in advance, and along with the principal for loan repayment. The sinking fund certificates such as the promissory note and the IOU, shall be annulled and returned to the borrower.
- If the borrower applies for annulment of the mortgage, it would be subject to that whether there is any loan balance left.

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

(1) Registration and Custody

- A log book recorded loan of funds shall detail information including target customers, the amount of the loan, board of directors' approval dates, loan date, and the matters required to be carefully evaluated in accordance with the Procedure.
- After lending the loan, the case officer shall organize all the documents in order, such as contractor's receipt, promissory note, collateral certificate, insurance policy and any correspondence, and provide custody for the files with bags. After the bags are marked with item names and customer's name, they shall be submitted to the chief of finance and accounting department for inspection. Once all test passed, the bags are sealed. The two parties shall sign or stamp on a registry.
- Internal auditors shall perform auditing and the Procedures and implementation of loans to others every quarter, and produce written auditing reports. If any serious violation is found, the supervisors and independent directors shall be notified with written notices.
- If a borrower no longer satisfies the criteria set forth in the relevant regulations and/or the Procedures or there be any excess over the lending limit due to unexpected changes

of the Company, a corrective plan will be made and provided to the supervisors and the Independent Directors.

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

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

8. Announcement and Reporting Procedures

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

The loan-to-net-worth ratio as referred above is calculated based on an aggregate of the Company's and its Subsidiaries' loan balance.
- (4) The Company shall make sufficient provision based on the condition of its lending profile, adequately disclose information in the financial statements, and provide external auditors with necessary information for conducting due auditing.
- (5) The term "Announcement and Report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission of Taiwan.

- (6) The term "date of occurrence of the fact" as used in Paragraph 2 of this Article refers to the date of contract signing, date of payment, date of board of directors resolution or other date that can confirm the subject and monetary amount of the loan, whichever date is earlier.

9. Penalty

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

10. Implementation and Amendment

The Procedures and any amendment thereof shall be effective upon approval on board of directors meeting and then by the supervisors and shareholders. If a director objects to or expresses reservations about any matter which has been recorded in the minutes or in writing, the objection shall be submitted to the supervisors and the shareholders' meeting for discussion. The same rules shall apply to any amendments. Independent directors play a vital role to the Company. When submitting the operating procedure to the board of directors for discussion, in accordance with the preceding paragraph, their opinions shall be considered. Any objections or reservations the independent directors have presented shall be stated in the board of directors meeting minutes.

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

Appendix 7. Procedures for Acquiring or Disposing of Assets

1. Purpose and Source of Law

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

2. Definitions

1. The term "assets" as used in these Procedures includes the following:
 - (1) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 - (2) Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
 - (3) Memberships.
 - (4) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - (5) Right-of-use assets.
 - (6) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 - (7) Derivatives.
 - (8) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
 - (9) Other major assets.
2. The term "Derivatives" as used in these Procedure refers to Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
3. The term "Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law” as used in these Procedure refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
4. The term "Related party or subsidiary” as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
5. The term "Professional appraiser” as used in these Procedure refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

6. The term "Date of occurrence" as used in these Procedure refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
7. The term "Mainland China area investment" as used in these Procedure refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
8. The term "The most recent financial statements" as used in these Procedure refers to the financial statements of the Company certified or reviewed by certified public accountant which has been published in accordance with applicable regulation before the subject acquisition or disposal of assets.
9. The term "For the calculation of 10 percent of total assets" as used in these Procedure refers to the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

3. Appraisal and Operating Procedure

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

an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter "ARDF"). This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the FSC.

6. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.
7. The calculation of the transaction amounts referred to in the preceding paragraph 5, 6 shall be done in accordance with Article 7, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
8. Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

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

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

reaches the threshold requiring public announcement and regulatory filing under these Procedures, an additional appraisal from a professional appraiser shall be obtained.

5. The Responsible Units

The responsible units of the Company: regarding the investing of securities is Finance Division, and regarding real property, equipment or right-of-use assets thereof, are Assets Management Division and the relevant responsible units

6. Exclusion Clauses about Related Party

1. The qualifications of professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the provisions of Article 5 of: "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
2. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

7. Public Disclosure of Information

1. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:
 - (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (2) Merger, demerger, acquisition, or transfer of shares.
 - (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
 - (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
 - (5) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million.
 - (6) Where an asset transaction other than any of those referred to in the preceding (1)~(5) subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following:

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

8. Related Party Transactions

- 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in compliance with the provisions of the preceding Article 3, paragraph 5 through paragraph 7, Article 12 and this Article herein, if

the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Article 3, paragraph 5 through paragraph 7, and Article 12 herein. Besides, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. The calculation of the transaction amount shall be made in accordance with Article 7, paragraph 2 herein. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:
 - (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
 - (2) The reason for choosing the related party as a transaction counterparty.
 - (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with this Article, paragraph 3 and paragraph 4 herein.
 - (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
 - (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
 - (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding paragraph.
 - (7) Restrictive covenants and other important stipulations associated with the transaction.

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

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.

(2) Acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the board of directors pursuant to this paragraph, subparagraph 1 herein, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting..

3. The Company that acquires real property from a related party shall appraise the reasonableness of the transaction costs by the following means (Where land and structures thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the following):
 - (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (2) Total loan value appraisal from a financial institution where the related party has previously used the property as collateral for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party as one of the trading counterparties
4. The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding paragraph shall also engage a CPA to check the appraisal and render a specific opinion.
5. Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the paragraph 2, and paragraph 3 through paragraph 4 herein do not apply:
 - (1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
 - (4) The real property right-of-use assets for business use are acquired by the Company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital
6. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of the Company's appraisal conducted in accordance with this Article, paragraph 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with the paragraph 7. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been

obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

- (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - A. Where undeveloped land is appraised in accordance with the means in the paragraph 3, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - C. Completed leases by unrelated parties within the preceding year involving other floors of the same property, where transaction terms are similar after calculation of reasonable price discrepancies in floor prices in accordance with standard property market leasing practices.
 - (2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.
 - (3) Completed transactions involving neighboring or closely valued parcels of land in the subparagraph 1 and 2 in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
7. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the paragraph 3 through paragraph 6, are uniformly lower than the transaction price, the following steps shall be taken:
- (1) A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company. The Company that has set aside a special reserve under above may not

utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

- (2) Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
- (3) Actions taken pursuant to the preceding subparagraph (1), (2) two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

9. The Scope and Amount of Investment

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

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

10. Engaging in Derivatives Trading

1. Trading principles and strategies
 - (1) Types of Derivatives: The types of derivatives include forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts"

does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

- (2) Operating and Hedging Strategies: The Company engages in derivatives transaction should be aimed at hedging. The selected trading derivatives should be based on that enable the Company to avoid the risks of business operations. The transaction counterparty should also choose the banks that have business dealings with the Company as much as possible to avoid credit risk.

- (3) Segregation of Duties:

A. Financial Unit:

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

B. Accounting Unit:

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

C. Audit Unit:

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

- (4) essentials of performance evaluation:

A. Hedging Transaction:

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

B. Particular Purpose Transactions:

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

- (5) Transaction Amount:

A. Total Amount of Contracts: The total amount of Contracts in the Company engage in derivatives trading may not exceed thirty percent of the Company's pay-in capital.

B. Particular Purpose Transaction: The Financial Unit may draw up a strategy based on the forecast of changing conditions of the market, but shall not conduct until it approved by the general manager and the chairman of the board of directors.

- (6) The Maximum Loss Limit: The maximum loss limit on total trading in the Company engage in derivatives trading may not exceed three percent of the total investment amount and the maximum loss limit for individual contracts in the Company engage in derivatives trading may not exceed thirty percent of the total amount of contracts.

- (7) The matters relevant to bond margin trading, shall be subject to mutatis mutandis application of this Article.

2. Risk Management Measures:

- (1) Risk Management:
 - A. Credit Risk's Considerations: The transaction counterparty should be limited to the banks that have business dealings with the Company and can provide professional information to the Company for the principle.
 - B. Market Risk's Considerations: The market is dominated by the bank's OTC and currently does not consider the futures market.
 - C. Liquidity's Considerations: To ensure liquidity, the transaction bank must have adequate equipment, information and transaction capabilities and can be traded in any market.
 - D. Operational Considerations: The personnel engaged in derivatives trading must exactly comply with the authorization amount limit, operating procedure for avoiding operational risk.
 - E. Legal Considerations: Any document signed with the bank shall be reviewed by the Legal Department before it signed formally to avoid legal risks.
 - F. Commodity Risk's Considerations: Internal personnel engaged in derivatives trading for derivatives transactions should have complete and correct expertise to avoid misuse of derivatives lead to losses.
- (2) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- (3) Risk measurement, monitoring, and control personnel shall be assigned to a different department that the trading and confirmation, settlement personnel and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
- (4) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
- (5) Other Important Risk Management Measures.
3. Where the Company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:
 - (1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
 - (2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.
 - (3) Penalties for the relevant personnel violating these Procedures.
4. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:
 - (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures and the operating procedures for engaging in derivatives trading formulated by the Company.
 - (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; an independent director shall be present at the meeting and express an opinion.

5. The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Relevant Procedures for Engaging in Derivatives Trading.
6. The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 20 and subparagraph 4 of paragraph 2, subparagraph 2 of paragraph 3 and subparagraph 1 of paragraph 4 of this Article, shall be recorded in detail in the log book.
7. Internal audit system: The Company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the operating procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.
8. The matters for which notice shall be given to the supervisors under the preceding paragraph, written notice shall also be given to the independent directors.

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

1. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
2. The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the preceding paragraph when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.
3. The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. The Company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

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

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

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

12. Appraisal Report of Real Property, Equipment or right-of-use assets thereof acquired or disposed

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

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (2) Where the transaction amount is NT\$ 1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be

disposed of are lower than the transaction amount, a CPA shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC's ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

- A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

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

13. Other Matters

1. Information required to be publicly announced and reported on acquisitions and disposals of assets by the subsidiary of the Company that is not a public company in Taiwan shall be reported by the Company. The paid-in capital or total assets of the Company shall be the standard applicable to the subsidiary referred to in the preceding paragraph in determining whether, relative to "paid-in capital or total assets", it reaches a threshold requiring public announcement and regulatory filing.
2. The Company's subsidiaries acquiring or disposing of assets, shall establish its Procedures governing the acquisition or disposal of assets in accordance with the provisions of the Regulations. After these Procedures have been approved by the board of directors, they shall be submitted to a shareholders' meeting of each subsidiary for approval; the same applies when these Procedures are amended. The Company shall see to it that its subsidiaries adopt these Procedures governing the acquisition or disposal of assets in compliance with the Regulations and check by itself, the internal audit department shall review the audit reports or self-assessment reports submitted by each subsidiary, and shall follow up on the correction of any defects.
3. Where the assets acquired or disposed of by the Company reaches the threshold requiring public announcement and regulatory filing of these Procedures, and the transaction counterparty is a de facto related party, the publicly announced and reported information shall be disclosed in the financial statement notes, and be submitted to the shareholders meeting.
4. The relevant personnel violating these Procedures and applicable laws and regulations, the Company may make a warning, demerit, demotion, suspension, salary reduction or other penalty, and make it as an internal review.
5. If there is any incomplete matters in these Procedures, it shall be handled in accordance with the applicable law and regulations of the Company. However, If the original regulations and legal interpretations of Procedures Governing the Acquisition and Disposal of Assets amended by the authorities, the Company shall comply with the new regulations and legal interpretations.
6. ADDCN TECHNOLOGY (Shenzhen) LLC.

14. Implementation and Amendment

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

When these Procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Appendix 8. 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. Applicable Scope:

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

3. Responsibility:

- (I) The General Manager's office is the Company's shareholder meeting unit authorized by the Board of Directors.
- (II) The unit for shareholders meeting is responsible for informing the shareholders of the shareholders meeting and preparing meeting materials for the shareholders meeting.

4. The notice of the general meeting:

- (I) Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
- (II) 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.
- (III) The Company shall 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.
- (IV) The Company shall 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.
- (V) The cause or subject of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient thereof.
- (VI) Motions of election or discharge of Directors, Supervisors, alteration of the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, split up of the company or any matters as set forth in

Paragraph 1, Article 185 of the Company Act, hereof shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be proposed as impromptu motions.; 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.

- (VII) Where the reasons to convene the shareholders' meeting has specified the re-election of Directors and Supervisors as well as the on-board dates, after the election in the shareholders' meeting, the on-board date cannot be changed via a special motion or other means in the same meeting.
- (VIII) The Company shall, in the notice of the shareholders' meeting, specify the time and place for shareholder registration, and other important matters.
- (IX) 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. Appointment of a proxy for the attendance of a shareholders meeting and authorization:

- (I) 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.
- (II) A shareholder shall issue a power of attorney and designated one proxy only, and shall deliver the power of attorney to the Company five days before the shareholders' meeting. If more than one powers of attorney are delivered, the earliest one received by the Company shall prevail. However, this restriction does not apply when a statement is made to revoke the earlier power of attorney.
- (III) Where a shareholder intends to personally attend the shareholders' meeting or exercises voting rights by correspondence or electronic transmission after delivering a power of attorney to the Company, the shareholder shall provide, two days before the date of the shareholders' meeting, a printed notification to the Company for rescinding the said power of attorney. Where the period for rescinding the power of attorney has expired, the voting right exercised by the designated agent attending the meeting shall prevail.

6. Calculation of the number of shares represented by the participating shareholders and the meeting:

- (I) Attendance at shareholders meetings shall be calculated based on numbers of shares. The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose votes are exercised by mail or electronically via the internet.
- (II) The Chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour of postponements. In the event that the meeting is still attended by shareholders representing less than one-third of the total issued shares after two postponements,

the chairperson may announce that the meeting should be canceled.

- (III) If the quorum does 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, attending shareholders may reach a tentative resolution pursuant to Paragraph 1, Article 175 of the Company Act. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a shareholders meeting within one month.
- (IV) When, prior to conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the Chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

7. Shareholder attendance registration:

- (I) 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.
- (II) This Company shall provide the meeting agenda, annual report, attendance pass, speaker's slip, voting slips, and other meeting information to shareholders attending the shareholders' meeting. Voting tickets shall also be attached if the meeting includes director or supervisor elections.
- (III) Shareholders or the power of attorney of a proxy (the shareholder) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy Solicitor shall provide ID documents for verification.
- (IV) When a government or a juristic person is a shareholder, there may be more than one representative attending the shareholders' meeting. When 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.

8. Chairman of the meeting and participants:

- (I) 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 Chairman, or, if there are no managing directors, one of the directors shall be appointed to act as Chairman. When the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as Chairman.
- (II) When a managing director or a director serves as Chairman, 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 requirements shall apply if the chairperson for

the meeting is a director representative of a juristic person.

- (III) 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.
- (IV) If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall Chairmen the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- (V) The Company may appoint the retained Attorney(s)-at-Law, Certified Public Accountant(s) or relevant personnel to participate in a shareholder meeting as an observer.

9. Meeting Procedure:

- (I) 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.
- (II) The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting.
- (III) The chairperson shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including occasional (extemporaneous) motions) unless duly resolved in the meeting. If the Chairman 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 Chairmen the meeting.
- (IV) The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote, and arrange a sufficient voting time.
- (V) The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.
- (VI) 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. In the event a lawsuit regarding the Directors election under Article 189 of the Company Law, those ballots shall be archived until the conclusion of the lawsuit.

10. Notices for proceedings of the meeting:

- (I) When the meeting is held, the chairperson may announce a break. When an

unpreventable event occurs, the chairperson may decide to temporarily suspend the meeting and announce the time for the meeting to be resumed depending on the conditions.

- (II) The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.
- (III) The aforementioned sound and video recording shall be retained for at least one year. In the event a lawsuit regarding the Directors election under Article 189 of the Company Law, those ballots shall be archived until the conclusion of the lawsuit.
- (IV) The person(s) supervising the casting of the ballots and the person(s) counting the ballots are designated by the chairperson, provided that the person(s) supervising the casting of the ballots shall be a shareholder.
- (V) The recording procedure of issues of shareholder meetings shall be processing publicly in shareholder meetings and the results including statistical weights shall be reported on the spot and shall be recorded into the minutes of the meeting.
- (VI) The shareholders' meeting may resolve to defer or resume the meeting within five days pursuant to Article 182 of the Company Act.

11. Speaking of the present shareholders:

- (I) Before speaking, an attending shareholder must specify on a speaker's slip, the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
- (II) An attending shareholder who submits a slip of paper but does not speak at the meeting is deemed to have not spoken. In the event of any inconsistency between the contents of shareholder's speech and those recorded on the slip, the contents of shareholder's speech shall prevail.
- (III) When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless permitted by the chairperson and such speaking shareholder; the chairperson shall stop any such violations.
- (IV) Except with the consent of the Chairman, an attending shareholder may not speak more than twice on the same proposal and a single speech may not exceed 5 minutes. Where a shareholder speaks in contravention of the rules or beyond the scope of the specified issues, the Chairman may stop the speaker.
- (V) In the event that a juristic (corporate) person shareholder appoints two or more representatives to participate in a shareholder meeting, only one representative may speak for the same issue.
- (VI) After the speech is given by an attending shareholder, the chairman may personally respond or designate relevant personnel to respond.
- (VII) If the venue is equipped with public address system, the chairperson may stop shareholders from making a speech through other devices.

12. 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.

13. The principle of time and place of the shareholders meeting:

- (I) 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.
- (II) If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

14. Voting on the motion:

- (I) A shareholder shall have one voting power in respect of each share; however, this limit is not applicable to those who are restricted, or who do not have the right to vote under Paragraph 2, Article 179 of the Company Act.
- (II) When the Company convenes a shareholders' meeting, shareholders may exercise their voting power in writing or by way of electronic transmission; the method of exercising their voting power shall be described in the shareholders' meeting notice.
- (III) Shareholders exercising their voting rights by correspondence or electronic transmission as previously stated will be deemed to have attended the meeting in person. But shall be deemed to have waived his/her/its voting power in respect of any impromptu motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders meeting.
- (IV) 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 received shall prevail. However, this restriction does not apply when a declaration is made to cancel an earlier declaration of intent.
- (V) After the shareholders exercise their voting rights by correspondence or electronic transmission, if they want to attend the shareholders' meeting in person, they shall cancel the declaration of intent in the preceding Paragraph in the same manner as exercising the voting rights two days before the shareholders' meeting. Where the period for cancellation has expired, voting rights exercised by correspondence or electronic transmission shall prevail. If the voting rights are exercised by correspondence or electronic transmission and a proxy is designated to attend the shareholders' meeting by a power of attorney, the voting rights exercised by the attending proxy shall prevail.
- (VI) Unless otherwise provided for in the Company Act and the Articles of Incorporation of the Company, 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 issue is deemed to have been duly resolved after the chairperson enquires from all participants but no objection is heard. The validity of the decision so resolved

is equally valid as a decision duly resolved through the balloting process.

- (VII) When there is an amendment or an alternate to a proposal, the Chairman shall present the amended or alternate proposal together with the original proposal and decide the order in which they will be put to a vote. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.

15. Calculation of the number of shares with voting rights and the recusal system:

- (I) The voting in the shareholders meetings shall be calculated based on numbers of shares.
- (II) With respect to the resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
- (III) When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, such a shareholder shall not vote on that item, and shall not exercise voting rights as a proxy for any other shareholder.
- (IV) The number of shares with voting rights that cannot be exercised in the preceding Paragraph shall not be counted as part of the voting rights represented by attending shareholders.
- (V) With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

16. Meeting minutes and signing items:

- (I) The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
- (II) The distribution of the minutes of the shareholders meeting as required in the preceding paragraph may be effected by means of a public notice.
- (III) The minutes of shareholders meeting shall record faithfully 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 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 meeting minutes shall be retained for as long as the Company is in existence.

17. Maintaining order at the meeting place:

- (I) Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- (II) The Chairman 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."

- (III) The shareholder (proxy) shall obey the orders given by the Chairman 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.

18. Implementation and Amendment

- (I) Any details that are not addressed in this Rules shall be governed by the Company Act and relevant regulations.
- (II) The Rules shall come into force after being approved by the Meeting of Shareholders. And the amended ones shall be done at the same way.

Appendix 9. 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.
 - (1) 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.
 - (2) 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.
 - (3) 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.
 - (4) 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:
 - (1) Ethical.
 - (2) Just when making a judgment.
 - (3) Professional knowledge.
 - (4) Experienced.
 - (5) Capable of reading the financial statements.
3. In addition to the fact that the 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 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 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:
 - (1) The ballot was not prepared by the board of directors.
 - (2) A blank ballot is placed in the ballot box.
 - (3) The writing is unclear and indecipherable or has been altered.
 - (4) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder and a cross-check shows that the candidate's name and identity card number do not match.
 - (5) Ballots that contain writings other than the candidate's name and shareholder ID (or identity document number).
 - (6) The name of the candidate entered in the ballot is identical to that of another

shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

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 10. Rules on Scope of Authority of Supervisors

1. Purposes of adoption of these Rules

To ensure the normal business operation of this Company and to develop an effective, comprehensive, and robust supervisory system for the supervisors, allowing supervisors to fulfill their functions, and for the purpose of strengthening this Company's internal monitoring mechanisms and ensuring sound corporate governance, in order to fulfill the responsibility for safeguarding the rights and interests of this Company and all of its shareholders, these Rules are adopted pursuant to the provisions of Chapter IV of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

2. Scope of application for these Rules

Except as otherwise provided by law or regulation or by the articles of incorporation, the powers and duties of the supervisors of this Company and the matters to be carried out by this Company when the supervisors exercise their powers shall be as set forth in these Rules.

3. Scope of duties

The supervisors shall faithfully perform their duties and fulfill the obligation to exercise the due care of a good administrator. They shall maintain a high degree of self-discipline and adopt a prudential attitude in supervising the business and financial conditions of this Company, in order to safeguard the rights and interests of this Company and its shareholders.

If in the course of their duties a supervisor violates a law, regulation, or the articles of incorporation, or if a supervisor neglects his or her supervisory duties, thereby causing damage to this Company, the supervisor shall be legally held liable to this Company for damages.

4. Exercise of supervisory powers

A supervisor shall be familiar with the relevant laws and regulations, shall understand the rights, obligations, and duties of the directors of this Company and the respective functions, duties, and operations of each department. Supervisors shall attend meetings of the board of directors to oversee its operation and to state their opinions when appropriate so as to control or discover any irregularity as early as possible.

In the exercise of supervisory powers by each respective supervisor, a supervisor that deems it necessary may convene a meeting, in consideration the overall interest of this Company and the shareholders, to exchange opinions with other supervisors, provided that in so doing the independent exercise of powers by other supervisors is not obstructed.

5. Supervision of business operations, the management team, and the internal control system of this Company

The supervisors shall monitor the business operations of this Company, examine its financial and business conditions from time to time, and review its books and records. They may request reports to be presented by the board of directors or any of the managerial officers in order to understand the status of performance of their respective duties, and shall attend to the effectiveness and implementation of the internal control system so as to reduce the financial and operational risks of this Company.

6. Notification of meetings of the board of directors

When a meeting of the board of directors is held, each supervisor shall be notified of the

meeting in accordance with the provisions of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and the meeting notice and sufficient meeting materials shall be delivered to all supervisors.

7. Recusal

The supervisors shall maintain a high degree of self-discipline; when a proposal put forward at a meeting bears on the personal interest of a supervisor, and such relationship is likely to prejudice the interest of this Company, the supervisor shall enter into recusal.

8. Limiting violations of law by the board or a director in the course of duties

Upon discovering any violation of a law or regulation, the articles of incorporation, or a shareholders meeting resolution by the board of directors or by a director in the course of their duties, a supervisor shall immediately notify the board of directors or the director to cease such conduct.

9. Reviewing the books and records of this Company

The supervisors shall thoroughly review and issue a report on the various books and records (including business reports, financial statements, proposals for distribution of earnings or for covering of losses) compiled by the board of directors and presented at shareholders meetings, and shall state their opinion at the shareholder meeting.

10. Review of the business and finances of this Company

A supervisor may at any time investigate the financial and business conditions of this Company, and the relevant departments in this Company shall provide the books and documents that may be required by the investigation.

When reviewing the financial or business conditions of this Company, a supervisor may retain attorneys or accountants on behalf of this Company to perform the review, provided that they shall inform the relevant persons of their confidentiality obligations.

The board of directors or managerial officers shall submit reports at the request of a supervisor and may not for any reason obstruct, evade, or refuse the inspections of the supervisors.

When a supervisor performs his or her duties, this Company shall provide the necessary assistance in accordance with the needs of the supervisor, and any reasonable expenses required for such assistance shall be borne by this Company.

11. Communication channels with relevant personnel in this Company

The supervisors shall conduct periodic discussions with the internal auditors regarding their examination of deficiencies in the internal control system, and shall make a record of the discussions.

This Company shall establish a channel for communication between its employees, shareholders, and interested parties and the supervisors in order to facilitate the supervisory duties of the supervisors.

Upon discovering any misconduct, a supervisor shall take timely measures to curb its expansion, and if necessary shall file a report with the competent authority or relevant regulatory agencies.

If any of a TSWE or GTSM listed company's independent directors, general managers, heads of finance, accounting, research and development, or internal audit departments, or CPAs resigns or is removed from their position, the supervisors shall closely investigate the reasons and make necessary recommendations or take necessary measures.

12. Liability insurance for supervisors

It is advisable that this Company, in accordance with the articles of incorporation or the resolution of a shareholders meeting, take out liability insurance for the supervisors with respect to liabilities resulting from the performance of duties during their terms of office, so as to reduce and spread the risk of material damage to the rights and interests of this Company and the shareholders as a result of error or negligence on the part of a supervisor.

13. Continuing education for supervisors

Upon becoming a supervisor and throughout their term in that position, a supervisor is advised to participate in training courses covering subjects related to corporate governance, such as finance, risk management, business, commerce, accounting, law, or corporate social responsibility, offered by the institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and GTSM Listed Companies.

14. Supplementary provisions

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

Appendix 11. Shareholding of All Directors and Supervisors

The paid-up capital of the Company is NT\$429,385,000. There are 42,938,500 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 26, 2021, 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	8.01%
Director	Tsung-Hsien Wu	373,406	0.87%
Director	Mei-Hui Lin	168,470	0.39%
Director	Cheng Yu Investment Ltd.	2,254,024	5.25%
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	14.52%
Supervisor	Rui Qi Investment Ltd.	483,940	1.13%
Supervisor	Mu-Chuan Huang	0	0.00%
Supervisor	Chin-Han Chen	1,341	0.00%
Total		485,281	1.13%