

Everlight Electronics Co., Ltd.

Meeting Minutes for 2022 Annual General Shareholders' Meeting

(Summary Translation)

* Meeting Time: 9:00 a.m., June 17, 2022

* Meeting Venue: 3F, No. 469, Zhongyang Rd., Xinzhuang Dist., New Taipei City (Denwell Group, Xinzhuang)

*Quorum: 247,874,445 shares (including 239,689,576 shares by electronic transmission) were represented by the shareholders and proxies present, which amounted to 55.90% of the Company's 443,393,086 issued and outstanding shares.

*Board Members Present: Yin-Fu Yeh, Chen-En Ko, Rong-Chun Lin, Wu-Liu Tsai, Bang-Yan Liu (via video conference), Johnsee Lee (via video conference), Ting-Wei Yeh (via video conference)

*Attendance: Chun Yu Lu (Accounting officer), Rui-Lan Lo (CPA), Yu-Chi Chang (Attorneys-at-Law)

*Chairman: Yin-Fu Yeh

*Recorder: Chi-Wang Yang

1. Chairman's Speech: (Omitted)

2. Reports Items :

(1) The 2021 Business Report (Please refer to Appendix).

(2) Report on Audit Committee's review of the 2021 business report and financial statements (Please refer to Appendix).

(3) Proposal of the proportion of employee compensation and directors' compensation of 2021 (Omitted).

3. Adoption Items :

(1) The 2021 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanation :

The 2021 Business Report and Financial Statements were reviewed by the Audit Committee and approved by the Board of Directors' Meeting on March 23rd, 2022.

The 2021 Business Report, Audit Report from the Certified Public Accountant (CPA) and Financial Statements are attached hereto as Attachments.

Resolution :

Number of voting rights of shareholders present at the time of voting are 247,874,445 rights

Voting Result	Percentage of voting rights of present shareholders
Voting rights for approval: 230,028,316 rights (Including 221,968,457 rights by electronic transmission)	92.80%
Voting rights for rejection: 936,233 rights (Including 936,233 rights by electronic transmission)	0.37%
Number of invalid votes: 0	0.00%
Voting rights for abstention: 16,909,896 rights (Including 16,784,886 rights by electronic transmission)	6.82%

(2) Proposal for 2021 earnings distribution.

(Proposed by the Board of Directors)

Explanation :

- (1) Net income after tax in 2021 is NT\$ 1,939,687,824, earnings distribution is complied with the Article of Incorporation.
- (2) The Board of Director proposed to set aside NT\$ 1,551,875,801 for cash dividends, NT\$3.5 per share. The Board of Directors authorized the Chairman subject to the approval of Annual General Shareholders' Meeting to set a record date on which the proposed cash dividend would be distributed according to the shareholding ratio of shareholders appeared in the register of shareholders on the designated record date of distribution.
- (3) In the event that the proposed earnings distribution approved is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a change in common shares (such as conversion of convertible bonds or exercise of employee stock options), it is proposed that the Chairman be authorized to adjust the cash dividends to be distributed to each share based on the number of actual shares outstanding on the record date of distribution.
- (4) In accordance with the related regulations, earnings distribution will be recognized individually, earnings from 2021 will be the priority distribution, retained earnings from previous years will be the distribution of the rest if it is insufficient.
- (5) Please see the table of earnings distribution as follow.

Everlight Electronics Co., Ltd.

2021 Table of Earnings Distribution			Unit : NT\$
Item	Amount		
	Sub Total	Total	
Retained earnings in the beginning of 2021		308,796,685	
2021 Retained Earnings			
Add : Comprehensive income/loss for the period	(3,326,200)		
Add : Net income after tax of 2021	1,939,687,824		
Retained earnings in the end of 2021		1,936,361,624	
Earnings available for distribution		2,245,158,309	
10% Legal reserve	(193,636,162)		
Changes in ownership interests in investee companies	(42,781,326)		
Shareholders' dividends-Cash	(1,551,875,801)		
Distribution subtotal		(1,788,293,289)	
Undistributed earnings by the end of 2021		456,865,020	

Chairman :

Manager :

Chief Accounting Officer :

Resolution :

Number of voting rights of shareholders present at the time of voting are
247,874,445 rights

Voting Result	Percentage of voting rights of present shareholders
Voting rights for approval: 234,674,447 rights (Including 226,614,588 rights by electronic transmission)	94.67%
Voting rights for rejection: 113,333 rights (Including 113,333 rights by electronic transmission)	0.04%
Number of invalid votes: 0	0.00%
Voting rights for abstention: 13,086,665 rights (Including 12,961,655 rights by electronic transmission)	5.27%

4. Discussion Items :

- (1) Discussion of amendment of the "Articles of Incorporation" of the Company.
(Proposed by the Board of Directors)

Explanation :

Certain provisions of the “Articles of Incorporation” of the Company are proposed to be amended pursuant to Article 172-2 of the Company Law and due to the option flexibility in the convening of shareholders’ meeting. The comparison table for the “Articles of Incorporation”.

Resolution :

Number of voting rights of shareholders present at the time of voting are
247,874,445 rights

Voting Result	Percentage of voting rights of present shareholders
Voting rights for approval: 227,412,706 rights (Including 219,352,847 rights by electronic transmission)	91.74%
Voting rights for rejection: 6,637,874 rights (Including 6,637,874 rights by electronic transmission)	2.67%
Number of invalid votes: 0	0.00%
Voting rights for abstention: 13,823,865 rights (Including 13,698,855 rights by electronic transmission)	5.57%

(2) Discussion of amendment of the “Procedures for Acquisition or Disposal of Assets” of the Company.

(Proposed by the Board of Directors)

Explanation :

It is proposed to amend certain provisions of the “Procedures for Acquisition or Disposal of Assets” of the Company to comply with the current regulation. Please see the Comparison Table for the “Procedures for Acquisition or Disposal of Assets” Before and After Version.

Resolution :

Number of voting rights of shareholders present at the time of voting are
247,874,445 rights

Voting Result	Percentage of voting rights of present shareholders
Voting rights for approval: 233,946,527 rights (Including 225,886,668 rights by electronic transmission)	94.38%
Voting rights for rejection: 117,053 rights (Including 117,053 rights by electronic transmission)	0.04%
Number of invalid votes: 0	0.00%
Voting rights for abstention: 13,810,865 rights (Including 13,685,855 rights by electronic transmission)	5.57%

(3) Discussion of amendment of the "Rules of Procedure of Shareholders' Meeting" of the Company.

(Proposed by the Board of Directors)

Explanation :

It is proposed to amend certain provisions of the "Rules of Procedure of Shareholders' Meeting" of the Company due to the option flexibility in the convening of shareholders' meeting. Please see the Comparison Table for the "Rules of Procedure of Shareholders' Meeting" Before and After Version.

Resolution :

Number of voting rights of shareholders present at the time of voting are 247,874,445 rights

Voting Result	Percentage of voting rights of present shareholders
Voting rights for approval: 227,414,148 rights (Including 219,354,289 rights by electronic transmission)	91.74%
Voting rights for rejection: 6,639,828 rights (Including 6,639,828 rights by electronic transmission)	2.67%
Number of invalid votes: 0	0.00%
Voting rights for abstention: 13,820,469 rights (Including 13,695,459 rights by electronic transmission)	5.57%

5. Extempore motions: None

6. Meeting Adjourned: 09:30 AM, June 17, 2022

The minutes of the shareholders' meeting records the essentials and results of the proceedings in accordance with Article 183, Item 4 of the Company Law. The contents, procedures and shareholder speeches of the meeting are still subject to the audio records of the meeting.

Business Report

Preface

In 2021, the impact of the Covid-19 epidemic still affected the global economy, thus the demand for consumer electronics and home appliances continues to grow due to the raising needs of work from home, gaming, and online shopping. With deployment in many countries of digital infrastructure, strong demand of optical components has been created from 5G base stations and servers. Benefiting from these trends, Everlight's consolidated revenue reached NT\$ 25.02 billion in 2021, with an annual growth of 15.6%, and gross profit margin increased by 2% to 27% due to better product mix and higher capacity utilization. The net profit was NT\$ 1.94 billion, 57% more than 2020, and the after-tax earnings per share (EPS) was NT\$ 4.37, which is the highest in the past six years. The board of directors has approved a cash dividend of NT\$ 3.5 per share.

New technique and applications

Invisible LED components have multi functions, such as circuit isolation, control, signal amplification and sensing, are widely applied to home appliances, consumer electronics, automotive and industrial applications. All of these products including solar energy storage management, which integrated storage and charging, the isolator of charging station, power control components, the power saving solutions of home appliances, or body positioning and eyeball tracking used by AR/VR/MR kits for metaverse users need our photocouplers, PD or IR components. Developing customized products to meet various needs of customers is Everlight's advantage, we will focus on developing our new products and applications applied to energy vehicles, wearables devices and metaverse kits in the future.

Our automotive products will more focus on the exterior lighting by developing high-end headlight designs such as high power, top contact, small window opening, and micro dot matrix LEDs to increase the market share. As for the interior lighting, we will introduce dynamic atmosphere light products with smaller size LEDs and motion effect function, which optimize and integrate LEDs and IC. With more and larger display screens in vehicles led by electricity vehicles, Everlight launched Mini LED products for automotive display screens to achieve high dynamic contrast (HDR) and local dimming. We are ahead of the market in the introduction of Mini LED backlight modules for automotive display screens and has been certified by our customers. In the future, Everlight will continue to strengthen our competitiveness and expand production capacity of Mini LED products based on the market demand to gain market opportunities in advance.

In terms of special lighting applications, Everlight has successfully developed UVC light sterilization equipment with the confirmation of Institute of Biomedical Sciences in ACADEMIA SINICA, which can effectively eliminate the SARS-CoV-2 virus, to prevent from the spread of the Corona virus. Consequently, Everlight developed a series of UVC LED (275 nm) ultraviolet products based on this research results.

Summary of 2022 business plan

The global economy is expected to face multiple challenges this year. Major economies have confronted high inflation pressure from the supply chain disruption caused by the epidemic, and the surge of lately price of petrochemical raw materials, grains, metals and other raw materials due to the war in Ukraine. Therefore, central banks around the world are now facing the dilemma of high inflation environment and slowing economic growth. However, with the higher vaccination rate worldwide and the less lethal but higher contagious virus variant, globally unlocking and opening can be expected in 2022.

Looking forward to this year, the kits of AR/VR/MR are expected to be more and more popular with the rising trends of metaverse. The application of Mini LED on display technology for LCDs is going to be the new growth driver for LED industry due to the improvement and maturity of the technology. Everlight will pay full attention on environmental, social and corporate governance (ESG) issues to achieve sustainable operation goal in this changing environment. We would like to thank all the shareholders for the long-term support and recognition and the management team will keep diligent work to create higher value for all shareholders.

Chairman:

Manager:

Chief Accounting Officer:

Attachment



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Independent Auditors' Report

To the Board of Directors of Everlight Electronics Co., Ltd.:

Opinion

We have audited the financial statements of Everlight Electronics Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2021 and 2020, the statement of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, 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 of the financial statements 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 our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we judged shall be presented in the financial report as follows:

1. Inventory valuation

Please refer to note 4(g) for accounting policy related to valuation of inventory; note 5 for uncertainty of inventory valuation; and note 6(f) for information regarding inventory and related expenses.

Description of key audit matters:

Due to the impact of product life cycle and industrial competition in electronic industry, the price variability on the inventory of the Company is expected. Therefore, the test of inventory valuation is one of the significant assessment items in our audit procedures.



Audit procedures:

Our principal audit procedures included: assessing the allowance for inventory valuation and obsolescence losses to determine whether the policies of the Company and the accounting policies are applied accordingly, and inspecting the aging inventory statement, analyzing the change in aging inventory, as well as verifying the aging inventory statement and the calculation of lower of cost or net realizable value in order to verify the rationality of assessment on allowance to reduce the price of inventory to the market price.

2. Accounts receivable valuation

Please refer to note 4(f) (i) 5) for accounting policy of accounts receivable valuation; note 5 for uncertainty of accounts receivable valuation; note 6(d) and note 6(e) for information regarding accounts receivable and other receivables valuation.

Description of key audit matters:

The valuation on accounts receivable uses the lifetime expected credit loss (ECL) of accounts shown in objective evidence to calculate loss allowance. Due to the wide variety of the Company's customers, the ECL of accounts receivable is affected by the operating conditions of the customers, external industrial environment, market economics, etc. Therefore, the valuation of accounts receivable is one of the significant assessment items in our audit procedures.

Audit procedures:

Our principal audit procedures included: determining whether the evaluation policy of the Company and the accounting policies are applied accordingly; understanding the reasons and the recoverability of long overdue receivables in subsequent period, as well as evaluating the rationality of assessment on allowance estimated by the management.

3. Revenue recognition

Please refer to note 4(q) for the accounting policy of revenue; and note 6(u) for information regarding revenue recognition.

Description of key audit matters:

The main activities of the Company include manufacturing and selling of products on light-emitting and sensing components. The sales revenue is a key matter in the financial statements, and the amounts and changes of sales revenue may affect the users' understanding of the entire financial statements. Therefore, testing over revenue recognition is one of the significant assessment items in our audit procedures.

Audit Procedures:

Our principal audit procedures included: testing the related controls surrounding the aforementioned sales and collection cycle; testing of details; as well as selectively conducting external confirmations in order to evaluate the accuracy of the timing of the operating revenue recognition and determine whether related accounting policies are applied appropriately of the Company.



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 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 the Audit Committee) 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 and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the 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 Yiu-Kwan Au and Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)
March 23, 2022

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020				December 31, 2021		December 31, 2020	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,759,594	6	1,496,956	5	2100	Short-term borrowings (note 6(k))	\$ 1,079,910	4	2,663,664	9
1110	Current financial assets at fair value through profit or loss (note 6(b))	455,223	2	473,861	2	2130	Current contract liabilities (note 6(u))	51,939	-	2,236	-
1141	Current contract assets (note 6(u))	2,317	-	45,542	-	2170	Notes and accounts payable	1,354,870	5	1,566,066	6
1170	Notes and accounts receivable, net (note 6(d))	4,901,511	17	4,855,718	17	2180	Accounts payable to related parties (note 7)	4,570,461	16	4,231,363	15
1180	Accounts receivable due from related parties, net (notes 6(d) and 7)	1,350,595	5	1,310,295	4	2213	Payable on machinery and equipment	361,988	1	267,987	1
1210	Other receivables due from related parties, net (notes 6(e) and 7)	797,539	3	475,663	2	2220	Other payables to related parties (note 7)	178,389	1	159,425	1
1310	Inventories (note 6(f))	747,400	3	754,398	3	2230	Current tax liabilities	428,101	1	283,267	1
1470	Other current assets	259,234	1	270,490	1	2280	Current lease liabilities (note 6(n))	7,315	-	9,152	-
1476	Other current financial assets (notes 6(a) and 6(e))	<u>3,865,504</u>	<u>12</u>	<u>4,109,523</u>	<u>14</u>	2300	Other current liabilities (notes 6(b) and 9(b))	1,060,246	4	906,143	3
		<u>14,138,917</u>	<u>49</u>	<u>13,792,446</u>	<u>48</u>	2250	Current provisions (note 6(o))	77,934	-	58,132	-
						2322	Long-term borrowings, current portion (note 6(l))	<u>33,503</u>	<u>-</u>	<u>31,203</u>	<u>-</u>
								<u>9,204,656</u>	<u>32</u>	<u>10,178,638</u>	<u>36</u>
Non-current assets:						Non-Current liabilities:					
1550	Investments accounted for using equity method (note 6(g))	8,559,223	30	8,315,855	29						
1560	Non-current contract assets (note 6(u))	36,874	-	594,956	2						
1600	Property, plant and equipment (note 6(i))	4,369,720	15	4,857,393	17	2527	Non-current contract liabilities (note 6(u))	-	-	64,992	-
1755	Right-of-use assets (note 6(j))	231,541	1	241,586	1	2540	Long-term borrowings (note 6(l))	59,948	-	92,197	-
1780	Intangible assets	43,587	-	64,703	-	2550	Non-current provisions (note 6(o))	51,895	-	-	-
1840	Deferred tax assets (note 6(q))	489,877	2	419,805	2	2570	Deferred tax liabilities(note 6(q))	68,371	-	61,814	-
1900	Other non-current assets (notes 6(d) and 8)	100,643	-	102,759	-	2580	Non-current lease liabilities (note 6(n))	229,438	1	236,024	1
1980	Total other non-current financial assets (notes 6(d), 6(x) and 8)	<u>741,406</u>	<u>3</u>	<u>237,780</u>	<u>1</u>	2640	Net defined benefit liabilities (note 6(p))	89,750	-	109,442	1
		<u>14,572,871</u>	<u>51</u>	<u>14,834,837</u>	<u>52</u>	2670	Other non-current liabilities, others (note 6(g))	<u>524,996</u>	<u>2</u>	<u>316,874</u>	<u>1</u>
								<u>1,024,398</u>	<u>3</u>	<u>881,343</u>	<u>3</u>
								<u>10,229,054</u>	<u>35</u>	<u>11,059,981</u>	<u>39</u>
							Total liabilities				
							Equity (note 6(r)):				
						3110	Ordinary shares	<u>4,433,931</u>	<u>15</u>	<u>4,433,931</u>	<u>15</u>
						3200	Capital surplus (notes 6(g), 6(m) and 6(r))	<u>9,103,595</u>	<u>32</u>	<u>9,084,110</u>	<u>32</u>
							Retained earnings:				
						3310	Legal reserve	2,742,830	10	2,671,978	9
						3320	Special reserve	821,051	3	1,461,039	5
						3350	Unappropriated retained earnings (note 6(g))	<u>2,245,159</u>	<u>8</u>	<u>737,295</u>	<u>3</u>
								<u>5,809,040</u>	<u>21</u>	<u>4,870,312</u>	<u>17</u>
						3400	Other equity interests	<u>(863,832)</u>	<u>(3)</u>	<u>(821,051)</u>	<u>(3)</u>
							Total equity	<u>18,482,734</u>	<u>65</u>	<u>17,567,302</u>	<u>61</u>
Total assets		<u>\$ 28,711,788</u>	<u>100</u>	<u>28,627,283</u>	<u>100</u>	Total liabilities and equity		<u>\$ 28,711,788</u>	<u>100</u>	<u>28,627,283</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share, which is expressed in New Taiwan Dollars)

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(u) and 7)	\$ 20,931,499	100	18,216,403	100
5110	Cost of sales (notes 6(f), 7, 9(b) and 12)	16,269,334	78	14,702,423	81
5900	Gross profit	4,662,165	22	3,513,980	19
Operating expenses (notes 7 and 12):					
6100	Selling expenses	1,160,260	5	916,973	5
6200	Administrative expenses	948,571	4	907,643	5
6300	Research and development expenses	565,600	3	583,030	3
6450	Impairment loss determined in accordance with IFRS 9 (notes 6(d) and 6(e))	1,555	-	8,494	-
		2,675,986	12	2,416,140	13
6900	Net operating income	1,986,179	10	1,097,840	6
Non-operating income and expenses:					
7100	Interest income (note 6(v))	49,035	-	40,521	-
7190	Other income (note 6(g) and 6(n))	56,872	-	83,744	-
7210	Net gains on disposals of property, plant and equipment (note 7)	13,059	-	79,676	-
7230	Foreign exchange gains (losses), net (note 6(w))	(6,001)	-	(25,671)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method (note 6(g))	267,908	1	276,429	2
7235	Gains (losses) on financial assets (liabilities) at fair value through profit or loss, net	16,609	-	(11,649)	-
7050	Finance costs (notes 6(m), 6(n) and 6(w))	(29,693)	-	(39,130)	-
7590	Other expenses and losses (note 9(b))	(62,446)	-	(1,307)	-
		305,343	1	402,613	2
7900	Profit before tax	2,291,522	11	1,500,453	8
7950	Less: Income tax expenses (note 6(q))	351,834	2	264,312	1
	Profit	1,939,688	9	1,236,141	7
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(3,748)	-	11,488	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	51,947	-
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, items that will not be reclassified to profit or loss	(328)	-	2,071	-
8349	Less: income tax related to items that will not be reclassified to profit or loss (note 6(q))	(750)	-	2,298	-
		(3,326)	-	63,208	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(791)	-	(13,689)	-
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, items that will be reclassified to profit or loss	(42,148)	-	53,685	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note 6(q))	(158)	-	(2,738)	-
	Items that will be reclassified to profit or loss	(42,781)	-	42,734	-
8300	Other comprehensive income	(46,107)	-	105,942	-
	Total comprehensive income	\$ 1,893,581	9	1,342,083	7
	Earnings per share (note 6(t))				
9750	Basic earnings per share	\$ 4.37		2.79	
9850	Diluted earnings per share	\$ 4.31		2.74	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD.

Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

						Other equity interest			
			Retained earnings			Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
Balance at January 1, 2020	\$ 4,432,457	9,089,121	2,589,754	1,224,277	968,323	(863,785)	(597,254)	(1,461,039)	16,842,893
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	82,224	-	(82,224)	-	-	-	-
Special reserve	-	-	-	236,762	(236,762)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(620,563)	-	-	-	(620,563)
	-	-	82,224	236,762	(939,549)	-	-	-	(620,563)
Profit for the year	-	-	-	-	1,236,141	-	-	-	1,236,141
Other comprehensive income for the year	-	-	-	-	11,261	42,734	51,947	94,681	105,942
Total comprehensive income for the year	-	-	-	-	1,247,402	42,734	51,947	94,681	1,342,083
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(6,426)	-	-	6,426	-	-	-	-
Share-based payments transactions	1,474	1,092	-	-	-	-	-	-	2,566
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(545,307)	-	545,307	545,307	-
Others	-	323	-	-	-	-	-	-	323
Balance at December 31, 2020	4,433,931	9,084,110	2,671,978	1,461,039	737,295	(821,051)	-	(821,051)	17,567,302
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	70,852	-	(70,852)	-	-	-	-
Special reserve	-	-	-	(639,988)	639,988	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(997,634)	-	-	-	(997,634)
	-	-	70,852	(639,988)	(428,498)	-	-	-	(997,634)
Profit for the year	-	-	-	-	1,939,688	-	-	-	1,939,688
Other comprehensive income for the year	-	-	-	-	(3,326)	(42,781)	-	(42,781)	(46,107)
Total comprehensive income for the year	-	-	-	-	1,936,362	(42,781)	-	(42,781)	1,893,581
Changes in equity of associates and joint ventures accounted for using equity method	-	8,395	-	-	-	-	-	-	8,395
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	10,924	-	-	-	-	-	-	10,924
Others	-	166	-	-	-	-	-	-	166
Balance at December 31, 2021	\$ 4,433,931	9,103,595	2,742,830	821,051	2,245,159	(863,832)	-	(863,832)	18,482,733

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,291,522	1,500,453
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	744,583	987,635
Expected credit loss	1,555	8,494
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(61,652)	13,838
Interest expense	29,693	39,130
Interest income	(49,035)	(40,521)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(267,908)	(276,429)
Net gain on disposal of property, plan and equipment	(13,059)	(79,676)
Unrealized foreign exchange gains on long-term borrowings	(6,543)	(7,439)
Others	(7)	375
Total adjustments to reconcile profit (loss)	377,627	645,407
Changes in operating assets and liabilities:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	20,850	(351,429)
Decrease (increase) in contract assets	601,307	(534,135)
Increase in notes and accounts receivable (including related parties)	(478,672)	(347,918)
Decrease (increase) in inventories	6,998	(65,145)
Decrease (increase) in other current assets	4,875	(144,597)
Increase (decrease) in contract liabilities	(15,289)	58,344
Increase in notes and accounts payable (including related parties)	127,902	481,132
Increase in provisions	56,753	43,277
Increase in other current liabilities	211,086	132,778
Decrease in net defined benefit liabilities	(23,440)	(3,352)
Total changes in operating assets and liabilities	512,370	(731,045)
Cash inflow generated from operations	3,181,519	1,414,815
Interest received	51,337	37,330
Interest paid	(27,236)	(33,627)
Income taxes paid	(263,226)	(196,726)
Net cash flows from operating activities	2,942,394	1,221,792
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	377,705
Acquisition of investments accounted for using equity method	(8,787)	-
Increase in prepayments for long-term investments	-	(368,794)
Acquisition of property, plant and equipment	(190,095)	(291,999)
Proceeds from disposal of property, plant and equipment	111,645	107,486
Decrease in refundable deposits	2,116	16,933
Increase in other receivables due from related parties	(321,876)	(21,196)
Acquisition of intangible assets	(39,458)	(68,360)
Decrease (increase) in other financial assets	261,249	(707,036)
Increase in restricted deposits	(65,662)	(569,543)
Dividends received	129,268	706,262
Net cash flows used in investing activities	(121,600)	(818,542)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(1,583,754)	764,171
Repayments of bonds	-	(1,126,100)
Proceeds from long-term borrowings	-	88,067
Repayments of long-term borrowings	(23,406)	(10,872)
Increase (decrease) in guarantee deposits received	36,705	(58,035)
Increase (decrease) in other payables due to related parties	18,964	(6,863)
Payment of lease liabilities	(9,197)	(10,151)
Cash dividends paid	(997,634)	(620,563)
Exercise of employee stock options	-	2,566
Other financing activities	166	323
Net cash flows used in financing activities	(2,558,156)	(977,457)
Net increase (decrease) in cash and cash equivalents	262,638	(574,207)
Cash and cash equivalents at beginning of year	1,496,956	2,071,163
Cash and cash equivalents at end of year	\$ 1,759,594	1,496,956

See accompanying notes to financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Everlight Electronics Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Everlight Electronics Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statement of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, 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 of the consolidated financial statements 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. The key audit matters we judged shall be presented in the financial report as follows:

1. Inventory valuation

Please refer to note 4(h) for accounting policy related to valuation of inventory; note 5 for uncertainty of inventory valuation; and note 6(f) for information regarding inventory and related expenses.



Description of key audit matters:

Due to the impact of product life cycle and industrial competition in electronic industry, the price variability on the inventory of the Group is expected. Therefore, the test of inventory valuation is one of the significant assessment items in our audit procedures.

Audit procedures:

Our principal audit procedures included: assessing the allowance for inventory valuation and obsolescence losses to determine whether the policies of the Group and the accounting policies are applied accordingly, and inspecting the aging inventory statement, analyzing the change in aging inventory, as well as verifying the aging inventory statement and the calculation of lower of cost or net realizable value in order to verify the rationality of assessment on allowance to reduce the price of inventory to the market price.

2. Accounts receivable valuation

Please refer to note 4(g) (i) 5) for accounting policy of accounts receivable valuation; note 5 for uncertainty of accounts receivable valuation; note 6(d) and note 6(e) for information regarding accounts receivable and other receivables valuation.

Description of key audit matters:

The valuation on accounts receivable uses the lifetime expected credit loss (ECL) of accounts shown in objective evidence to calculate loss allowance. Due to the wide variety of the Group's customers, the ECL of accounts receivable is affected by the operating conditions of the customers, external industrial environment, market economics, etc. Therefore, the valuation of accounts receivable is one of the significant assessment items in our audit procedures.

Audit procedures:

Our principal audit procedures included: determining whether the evaluation policy of the Group and the accounting policies are applied accordingly; understanding the reasons and the recoverability of long overdue receivables in subsequent period, as well as evaluating the rationality of assessment on allowance estimated by the management.

3. Revenue recognition

Please refer to note 4(q) for the accounting policy of revenue; and note 6(z) for information regarding revenue recognition.

Description of key audit matters:

The main activities of the Group include manufacturing and selling of products on light-emitting and sensing components. The sales revenue is a key matter in the consolidated financial statements, and the amounts and changes of sales revenue may affect the users' understanding of the entire financial statements. Therefore, testing over revenue recognition is one of the significant assessment items in our audit procedures.

Audit Procedures:

Our principal audit procedures included: testing the related controls surrounding the aforementioned sales and collection cycle; testing of details; as well as selectively conducting external confirmations in order to evaluate the accuracy of the timing of the operating revenue recognition and determine whether related accounting policies are applied appropriately of the Group.



Other Matter

Everlight Electronics Co., Ltd. has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We 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 auditor's 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 reviews resulting in this independent auditors' report are Yiu-Kwan Au and Jui-Lan Lo.

KPMG

Taipei, Taiwan (Republic of China)
March 23, 2022

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020				December 31, 2021		December 31, 2020	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 4,514,151	15	4,186,992	14	2100	Short-term borrowings (note 6(o))	\$ 2,489,960	8	4,031,895	13
1110	Current financial assets at fair value through profit or loss (note 6(b))	1,206,849	4	1,056,736	3	2130	Current contract liabilities (note 6(z))	68,297	-	22,121	-
1140	Current contract assets (note 6(z))	2,317	-	45,542	-	2170	Notes and accounts payable	4,806,232	16	4,478,504	15
1170	Notes and accounts receivable, net (note 6(d))	6,998,255	23	6,832,904	22	2180	Accounts payable to related parties (note 7)	284,448	1	243,676	1
1180	Accounts receivable due from related parties, net (notes 6(d) and 7)	36,502	-	33,332	-	2213	Payable on machinery and equipment	631,866	2	472,570	2
1310	Inventories (note 6(f))	1,686,565	6	1,708,033	6	2230	Current tax liabilities	527,638	2	331,921	1
1470	Other current assets	549,175	2	530,860	2	2250	Current provisions (notes 6(p) and 9(b))	77,934	-	58,132	-
1476	Other current financial assets (notes 6(a),6(d), 6(e), 6(n) and 8)	<u>5,337,506</u>	<u>17</u>	<u>5,333,793</u>	<u>18</u>	2280	Current lease liabilities (notes 6(t))	42,140	-	37,033	-
		<u>20,331,320</u>	<u>67</u>	<u>19,728,192</u>	<u>65</u>	2300	Other current liabilities (notes 6(b) and 6(q))	1,961,179	7	1,782,091	6
Non-current assets:						2322	Long-term borrowings, current portion (note 6(r))	<u>33,503</u>	<u>-</u>	<u>31,203</u>	<u>-</u>
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	42,071	-	41,822	-			<u>10,923,197</u>	<u>36</u>	<u>11,489,146</u>	<u>38</u>
1550	Investments accounted for using the equity method, net (note 6(g))	92,754	-	58,356	-	Non-Current liabilities:					
1560	Non-current contract assets (note 6(z))	36,874	-	594,956	2	2527	Non-current contract liabilities (note 6(z))	-	-	64,992	-
1600	Property, plant and equipment (note 6(l))	7,631,501	25	8,109,445	27	2540	Long-term borrowings (note 6(r))	69,572	-	103,241	-
1755	Right-of-use assets (note 6(m))	399,679	1	412,236	1	2550	Non-current provisions (notes 6(p) and 9(b))	51,895	-	-	-
1780	Intangible assets	58,654	-	83,572	-	2570	Deferred tax liabilities (note 6(v))	78,218	-	70,813	-
1840	Deferred tax assets (note 6(v))	532,179	2	480,133	2	2580	Non-current lease liabilities (note 6(t))	274,444	1	286,908	1
1900	Other non-current assets (notes 6(u) and 8)	207,416	1	171,338	1	2640	Net defined benefit liabilities(note 6(u))	89,750	-	109,442	1
1980	Other non-current financial assets (notes 6(a) and 6(d))	<u>1,192,989</u>	<u>4</u>	<u>587,100</u>	<u>2</u>	2600	Other non-current liabilities	<u>229,617</u>	<u>1</u>	<u>203,918</u>	<u>1</u>
		10,194,117	33	10,538,958	35			<u>793,496</u>	<u>2</u>	<u>839,314</u>	<u>3</u>
							Total liabilities	<u>11,716,693</u>	<u>38</u>	<u>12,328,460</u>	<u>41</u>
						Equity:					
						Equity attributable to owners of parent (note 6(w)):					
						3110	Ordinary shares	<u>4,433,931</u>	<u>15</u>	<u>4,433,931</u>	<u>15</u>
						3200	Capital surplus (note 6(s))	<u>9,103,595</u>	<u>30</u>	<u>9,084,110</u>	<u>30</u>
							Retained earnings:				
						3310	Legal reserve	2,742,830	9	2,671,978	9
						3320	Special reserve	821,051	3	1,461,039	5
						3350	Unappropriated retained earnings	<u>2,245,159</u>	<u>7</u>	<u>737,295</u>	<u>2</u>
								<u>5,809,040</u>	<u>19</u>	<u>4,870,312</u>	<u>16</u>
						3400	Other equity interests	<u>(863,832)</u>	<u>(3)</u>	<u>(821,051)</u>	<u>(3)</u>
								<u>18,482,734</u>	<u>61</u>	<u>17,567,302</u>	<u>58</u>
						3610	Non-controlling interests	<u>326,010</u>	<u>1</u>	<u>371,388</u>	<u>1</u>
							Total equity	<u>18,808,744</u>	<u>62</u>	<u>17,938,690</u>	<u>59</u>
Total assets		<u>\$ 30,525,437</u>	<u>100</u>	<u>30,267,150</u>	<u>100</u>	Total liabilities and equity		<u>\$ 30,525,437</u>	<u>100</u>	<u>30,267,150</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share, which is expressed in New Taiwan Dollars)

		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(z) and 7)	\$ 25,022,009	100	21,637,035	100
5110	Cost of sales (notes 6(f), 6(u), 7 and 12)	18,323,414	73	16,218,266	75
5900	Gross profit	6,698,595	27	5,418,769	25
Operating expenses (notes 6(u) and 12):					
6100	Selling expenses	1,475,134	6	1,381,074	7
6200	Administrative expenses	2,023,608	8	1,963,636	9
6300	Research and development expenses	722,433	3	708,239	3
6450	Impairment loss (gain) determined in accordance with IFRS 9 (notes 6(d), 6(e) and 9(b))	61,955	-	12,318	-
		4,283,130	17	4,065,267	19
6900	Net operating income	2,415,465	10	1,353,502	6
Non-operating income and expenses:					
7100	Interest income (notes 6(m) and 6(ab))	95,896	-	66,828	-
7190	Other income (note 6(t))	100,137	-	186,005	1
7210	Net gains (losses) on disposals of property, plant and equipment	17,050	-	101,268	1
7225	Net gains (losses) on disposals of investments (note 6(g))	8,136	-	-	-
7235	Gains on financial assets (liabilities) at fair value through profit or loss, net	34,067	-	26,293	-
7050	Finance costs (notes 6(s), 6(t) and 6(ab))	(49,553)	-	(58,564)	-
7590	Other expenses and losses (note 9(b))	(74,612)	-	(10,813)	-
7630	Foreign exchange gains (losses), net (note 6(ac))	3,202	-	3,793	-
7670	Impairment loss (note 6(g))	-	-	(10,381)	-
7770	Share of profit (loss) of associates accounted for using the equity method (note 6(g))	12,092	-	(30,596)	-
		146,415	-	273,833	2
7900	Profit before tax	2,561,880	10	1,627,335	8
7950	Less: Income tax expenses (note 6(v))	565,869	2	377,655	2
	Profit	1,996,011	8	1,249,680	6
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(4,404)	-	15,002	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	51,947	-
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (note 6(g))	22	-	229	-
8349	Less: income tax related to items that will not be reclassified to profit or loss (note 6(v))	(881)	-	3,001	-
		(3,501)	-	64,177	-
8360	Items that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(52,140)	-	47,600	-
8399	Less: income tax related to items that will be reclassified to profit or loss (note 6(v))	(1,820)	-	(479)	-
		(50,320)	-	48,079	-
8300	Other comprehensive income	(53,821)	-	112,256	-
	Total comprehensive income	\$ 1,942,190	8	1,361,936	6
	Profit, attributable to:				
8610	Owners of parent	\$ 1,939,688	8	1,236,141	6
8620	Non-controlling interests	56,323	-	13,539	-
		\$ 1,996,011	8	1,249,680	6
	Total comprehensive income attributable to:				
8710	Owners of parent	\$ 1,893,581	8	1,342,083	6
8720	Non-controlling interests	48,609	-	19,853	-
		\$ 1,942,190	8	1,361,936	6
	Earnings per share (note 6(y))				
9750	Basic earnings per share	\$ 4.37		2.79	
9850	Diluted earnings per share	\$ 4.31		2.74	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Other equity interest		Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Retained earnings		Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income				
			Legal reserve	Special reserve							
Balance at January 1, 2020	\$ 4,432,457	9,089,121	2,589,754	1,224,277	968,323	(863,785)	(597,254)	(1,461,039)	16,842,893	351,535	17,194,428
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	82,224	-	(82,224)	-	-	-	-	-	-
Special reserve	-	-	-	236,762	(236,762)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(620,563)	-	-	-	(620,563)	-	(620,563)
	-	-	82,224	236,762	(939,549)	-	-	-	(620,563)	-	(620,563)
Profit for the period	-	-	-	-	1,236,141	-	-	-	1,236,141	13,539	1,249,680
Other comprehensive income for the year	-	-	-	-	11,261	42,734	51,947	94,681	105,942	6,314	112,256
Total comprehensive income for the year	-	-	-	-	1,247,402	42,734	51,947	94,681	1,342,083	19,853	1,361,936
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(6,426)	-	-	6,426	-	-	-	-	-	-
Share-based payments transactions	1,474	1,092	-	-	-	-	-	-	2,566	-	2,566
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(545,307)	-	545,307	545,307	-	-	-
Other	-	323	-	-	-	-	-	-	323	-	323
Balance at December 31, 2020	4,433,931	9,084,110	2,671,978	1,461,039	737,295	(821,051)	-	(821,051)	17,567,302	371,388	17,938,690
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	70,852	-	(70,852)	-	-	-	-	-	-
Special reserve	-	-	-	(639,988)	639,988	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(997,634)	-	-	-	(997,634)	-	(997,634)
	-	-	70,852	(639,988)	(428,498)	-	-	-	(997,634)	-	(997,634)
Profit for the period	-	-	-	-	1,939,688	-	-	-	1,939,688	56,323	1,996,011
Other comprehensive income for the year	-	-	-	-	(3,326)	(42,781)	-	(42,781)	(46,107)	(7,714)	(53,821)
Total comprehensive income for the year	-	-	-	-	1,936,362	(42,781)	-	(42,781)	1,893,581	48,609	1,942,190
Changes in equity of associates and joint ventures accounted for using the equity method	-	8,395	-	-	-	-	-	-	8,395	-	8,395
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	10,924	-	-	-	-	-	-	10,924	-	10,924
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(93,987)	(93,987)
Others	-	166	-	-	-	-	-	-	166	-	166
Balance at December 31, 2021	\$ 4,433,931	9,103,595	2,742,830	821,051	2,245,159	(863,832)	-	(863,832)	18,482,734	326,010	18,808,744

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EVERLIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,561,880	1,627,335
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization expense	1,573,973	1,866,471
Expected credit loss	61,955	12,318
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(65,551)	8,230
Interest expense	49,553	58,564
Interest income	(95,896)	(66,828)
Share of (gain) loss of associates and joint ventures accounted for using equity method	(12,092)	30,596
Gain on disposal of property, plant and equipment	(17,050)	(101,268)
Gain on disposal of investments accounted for using equity method	(8,136)	-
Impairment loss	-	10,381
Others	685	4,413
Total adjustments to reconcile profit (loss)	1,487,441	1,822,877
Changes in operating assets and liabilities:		
Increase in financial assets at fair value through profit or loss, mandatorily measured at fair value	(145,509)	(444,865)
Decrease (increase) in contract assets	601,307	(534,135)
Increase in notes and accounts receivable (including related parties)	(682,769)	(835,858)
Decrease in inventories	21,468	77,316
Increase in other current assets	(27,780)	(105,991)
Increase in notes and accounts payable (including related parties)	368,500	354,764
Increase in provisions	56,753	43,276
Increase in other current liabilities	237,578	139,061
Decrease in net defined benefit liabilities	(23,440)	(3,352)
Increase (decrease) in current contract liabilities	(18,816)	63,361
Others	(735)	6,413
Total changes in operating assets and liabilities	386,557	(1,240,010)
Cash inflow generated from operations	4,435,878	2,210,202
Interest received	76,757	55,168
Interest paid	(48,603)	(51,394)
Income taxes paid	(365,752)	(325,955)
Net cash flows from operating activities	4,098,280	1,888,021
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	377,705
Acquisition of investments accounted for using the equity method	(13,984)	(20,086)
Proceeds from disposal of investments accounted for using the equity method	8,232	-
Acquisition of property, plant and equipment	(952,587)	(851,821)
Proceeds from disposal of property, plant and equipment	120,369	268,185
Decrease in refundable deposits	3,032	15,069
Acquisition of intangible assets	(45,839)	(72,026)
Increase in other financial assets	(52,994)	(1,529,652)
Increase in restricted deposits	(80,111)	(507,196)
Decrease (increase) in prepayments for equipment	(39,705)	2,075
Net cash flows used in investing activities	(1,053,587)	(2,317,747)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	(1,541,935)	1,449,743
Repayments of bonds	-	(1,126,100)
Repayments of long-term borrowings	(23,406)	(10,872)
Proceeds from long-term borrowings	-	99,111
Increase (decrease) in guarantee deposits received	41,317	(48,934)
Payment of lease liabilities	(48,347)	(56,247)
Cash dividends paid	(997,634)	(620,563)
Exercise of employee stock options	-	2,566
Acquisition of ownership interests in subsidiaries	(72,788)	-
Change in non-controlling interests	(17,273)	-
Other financing activities	166	323
Net cash flows used in financing activities	(2,659,900)	(310,973)
Effect of exchange rate changes on cash and cash equivalents	(57,634)	(55,007)
Net increase (decrease) in cash and cash equivalents	327,159	(795,706)
Cash and cash equivalents at beginning of year	4,186,992	4,982,698
Cash and cash equivalents at end of year	\$ 4,514,151	4,186,992

See accompanying notes to consolidated financial statements.

Attachment

Everlight Electronics Co., Ltd. Audit Committee's Review Report

The board of directors has prepared and submitted the Company's 2021 Business Report, Financial Statements and Proposal for Earnings Distribution of the Company for the year 2021. Yiu-Kwan Au CPA and Jui-Lan Lo CPA of KPMG have also audited the financial statements and issued the auditors' report. The Business Report, Financial Statements and Proposal for Earnings Distribution of the Company for the year 2021 have been reviewed and determined to be correct and accurate by the Audit Committee members of Everlight Electronics Co., Ltd. According to article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit the report.

Hereto

2022 Annual General Shareholders' General Meeting

Chairman of the Audit Committee: Chen-en Ko

Date: March 23th, 2022

Attachment

Comparison Table for the" Articles of Incorporation" Before and After Version

Article	Articles Before Amendment	Articles After Amendment	Explanation
9	Shareholders' meetings of the Company are of two kinds: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary.	Shareholders' meetings of the Company are of two kinds: regular shareholders meetings and extraordinary shareholders meetings. The regular shareholders' meeting is called once per year within six months of the close of the fiscal year. Extraordinary shareholders meetings may be called in accordance with applicable laws and regulations whenever necessary. <u>The company's shareholders meeting may be held by video conference or other methods announced by the competent authority. The requirements, operating procedures, and other matters to be complied with for the adoption of video shareholders meeting shall be governed by the regulations of the competent authority if otherwise stipulated.</u>	To comply with the current regulation.
22	These Articles of Incorporation were enacted on May 10, 1983. The 1st amendment was made on May 23, 1983. ... The 32nd amendment was made on June 15, 2018. The 33rd amendment was made on June 14, 2019.	These Articles of Incorporation were enacted on May 10, 1983. The 1st amendment was made on May 23, 1983. ... The 32nd amendment was made on June 15, 2018. The 33rd amendment was made on June 14, 2019. <u>The 34th amendment was made on June 17, 2022.</u>	Add the amendment date

Attachment

Comparison Table for the" Procedures for Acquisition or Disposal of Assets"

Before and After Version

Article	Articles Before Amendment	Articles After Amendment	Explanation
8	Standards for Mandatory Announcement & Report Under any of the following circumstances, the 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 commencing immediately 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	Standards for Mandatory Announcement & Report Under any of the following circumstances, the 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 commencing immediately 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	To comply with the current regulation.

	disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: A. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. B. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. 5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more. 6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.	transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: A. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. B. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. 5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more. 6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million. 7. Where an asset transaction other than any of those referred to in the preceding six	
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	7. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: A. Trading of domestic government bonds. B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. The amount of transactions above shall be calculated as follows: 1. The amount of any individual transaction. 2. The cumulative transaction amount of	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 circumstances: A. Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than our country's sovereign rating.</u> B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds</u>, ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of Exchange-Traded Note</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 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	
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	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 or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph 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. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself 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. 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. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal	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 or right-of-use assets thereof within the same development project within the preceding year. 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. "Within the preceding year" as used in the preceding paragraph 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. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself 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. 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. 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 headquarters, where	
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	reports and CPA, attorney, and securities underwriter opinions at the Company headquarters, where they shall be retained for 5 years except where another act provides otherwise.	they shall be retained for 5 years except where another act provides otherwise.	
10	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	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	To comply with the current regulation.

	than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <u>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> 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.	appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal 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.	
11	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	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,	To comply with the current regulation.

	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. <u>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 ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.	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. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.	
第十二條	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; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u>	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.	To comply with the current regulation.
14	Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified	Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified	To comply with the current regulation.

	public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following: 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The	public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of their respective allied associations and</u> the following: 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected,	
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	related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.	and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.	
16	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	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 <u>audit committee and</u> the board of directors: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of	To comply with the current regulation.

	benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a trading 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 Article 15 and Article 16. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading 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 article. 7. Restrictive covenants and other important stipulations associated with the transaction. <u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 8, 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.</u> With respect to the types of transactions listed below, when to be conducted between	assets. 2. The reason for choosing the related party as a trading 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 Article 15 and Article 16. 4. The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading 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 article. 7. Restrictive covenants and other important stipulations associated with the transaction. With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount 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-	
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	a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may delegate the board chairman to decide such matters when the transaction is within a certain amount 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. Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. In the event that Audit Committee has been created in accordance with the provisions of the Act, matters shall be recognized by Supervisors prescribed in Paragraph I hereto shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the board of directors for a resolution.	of-use assets held for business use. Where the position of independent director has been created in accordance with the provisions of the Act, when a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. at Audit Committee has been created in accordance with the provisions of the Act, matters shall be recognized by Supervisors prescribed in Paragraph I hereto shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the board of directors for a resolution. <u>If the Company or its subsidiary that is not a domestic public offering company conducts a transaction outlined in paragraph 1, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the materials listed in paragraph 1 to the shareholders meeting for approval before it may sign the transaction contract and make payments. However, transactions between the Company and its subsidiaries or between its subsidiaries shall not be subject to this provision</u> <u>The calculation of the transaction amount refer to in paragraph 1 and the preceding paragraph shall be made in accordance with the provisions of Article 8, 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 recognized by shareholders</u>	
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		<u>meeting and audit committee and approved by</u> <u>the board of directors need not be counted</u> <u>toward the transaction amount.</u>	
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Comparison Table for the "Rules of Procedure of Shareholders' Meeting"
Before and After Version

Article	Articles Before Amendment	Articles After Amendment	Explanation
3	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.	Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. <u>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u> The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <u>If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the</u>	To comply with the current regulation.

	The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no	<u>immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</u> In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby. <u>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</u> <u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u> <u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u> <u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u> The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors,	
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	proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the	amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of	
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	shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.	
4	For each shareholders meeting, a	For each shareholders meeting, a	To comply with

	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. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.	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. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail. <u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u>	the current regulation.
5	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	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	To comply with the current regulation.

	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.	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. <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u>	
6	The Company shall specify in its shareholders meeting notices the time during which <u>shareholder</u> attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>Shareholders and their proxies (collectively, "shareholders")</u> shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.	The Company shall specify in its shareholders meeting notices the time during which attendance registrations of <u>shareholders, solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u> Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing	To comply with the current regulation.

	The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.	eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. <u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u> <u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u>	
6-1	-	<u>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</u>	To comply with the current regulation.

		1. <u>How shareholders attend the virtual meeting and exercise their rights.</u> 2. <u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</u> A. <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u> B. <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u> C. <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting</u>	
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		<u>online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u> D. <u>Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</u> 3. <u>To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</u>	
8	The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.	The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during</u>	To comply with the current regulation.

		<u>the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</u> <u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u>	
9	Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the	Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform,</u> plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, the Company shall</u>	To comply with the current regulation.

	preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.	<u>also declare the meeting adjourned at the virtual meeting platform.</u> If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u> When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.	
11	Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a	Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a	To comply with the current regulation.

	shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.	shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. <u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u> <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>	
13	A shareholder shall be entitled to one vote for each share held, except when the	A shareholder shall be entitled to one vote for each share held, except when the	To comply with the current

	shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph	shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already exercised under the	regulation.
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	shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other	preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other	
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	proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.	proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. <u>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u> <u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u> <u>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting</u>	
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		<u>online.</u> <u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u>	
15	Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.	Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company. <u>Where a virtual shareholders meeting is convened, in addition to the particulars to</u>	To comply with the current regulation.

		<u>be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u> <u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u>	
16	On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.	On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies <u>and the number of shares represented by shareholders attending the meeting by correspondence or electronic means</u>, and shall make an express disclosure of the same at the place of the shareholders meeting. <u>In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u> <u>During the Company's virtual</u>	To comply with the current regulation.

		<u>shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u> If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.	
19	-	<u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>	To comply with the current regulation.
20	-	<u>When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>	To comply with the current regulation.
21	-	<u>In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u>	To comply with the current regulation.

		<u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u> <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u> <u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.</u>	
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		<u>Companies.</u> <u>For dates or period set forth under Article</u> <u>12, second half, and Article 13, paragraph</u> <u>3 of Regulations Governing the Use of</u> <u>Proxies for Attendance at Shareholder</u> <u>Meetings of Public Companies, and Article</u> <u>44-5, paragraph 2, Article 44-15, and</u> <u>Article 44-17, paragraph 1 of the</u> <u>Regulations Governing the Administration</u> <u>of Shareholder Services of Public</u> <u>Companies, the Company shall handle the</u> <u>matter based on the date of the</u> <u>shareholders meeting that is postponed or</u> <u>resumed under the second paragraph.</u>	
22	-	<u>When convening a virtual-only</u> <u>shareholders meeting, the Company shall</u> <u>provide appropriate alternative measures</u> <u>available to shareholders with difficulties</u> <u>in attending a virtual shareholders meeting</u> <u>online.</u>	To comply with the current regulation.
23	<u>19</u> These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.	<u>23</u> These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.	To adjust the article order.