



Stock Code: 3023

SINBON ELECTRONICS CO., LTD

Handbook for the 2022 Annual Meeting of Shareholders

MEETING DATE: May 30, 2022

**PLACE: 4F-13, No.79, Sec. 1, Hsin Tai Wu Rd., Hsi Chih Dist.,
New Taipei City 221, TAIWAN**

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SINBON ELECTRONICS CO., LTD.
Procedure for the 2022Annual Meeting of Shareholders

Call the Meeting to Order

Chairperson Takes Chair

Chairperson Remarks

Company Reports

Proposals

Discussion Matters

Other Matters

Questions and Motions

Adjournment

SINBON ELECTRONICS CO., LTD.
Year 2022 Agenda of Annual Meeting of Shareholders

Time: 9:00 a.m. on Friday, May. 30, 2022.

Place: 4F-13, No.79, Sec. 1, Hsin Tai Wu Rd., Hsi Chih Dist.,
New Taipei City 221, TAIWAN

Call the Meeting to Order

Chairperson Remarks

Reports on Company Affairs:

1. 2021 Business Report.
2. Audit Committee Review Report on the 2021 Financial Statements.
3. The Status of Domestic Unsecured Convertible Bonds VII.
4. Remuneration to Employees, Directors.

Proposals:

1. Adoption of the 2021 Business Report and Financial Statements.
2. Adoption of the Proposal for Distribution of 2021 Profits.

Discussion Matters:

1. Amendment to Rules of Procedure for Shareholder Meeting.
2. Amendment to Procedures for the Acquisition and Disposal of Assets.
3. Amendment to Articles of Incorporation.

Other Matters

Questions and Motions

Adjournment

Reports on Company Affairs

Report No. 1

2021 Business Reports

Explanation:

The 2021 Business Report is attached as page 7, Appendix 1.

Report No. 2

Audit Committee Review Report on the 2021 Financial Statements.

Explanation:

The 2021 Audit Committee Review Report is attached as page 15, Appendix 2.

Report No. 3

The Status of Domestic Unsecured Convertible Bonds VII.

Explanation:

In order to save interest expenditures, the board had proceeded the issue of domestic unsecured convertible bonds VII for \$1,300 million NTD (13,000 units) according to 2020 fifth BOD meeting resolution. Current convert 2,425,972 units had been transferred to common stocks.

Report No. 4

Remuneration to Employees, Directors.

Explanation:

According to the pre-amend Articles of Incorporation, the company had booked \$30 million NTD for employees' remuneration and \$21 million NTD for Directors' remuneration in 2021 and there is no discrepancy between the actual and booking amount on 2021 financial report.

Proposals

1.

Proposed by the Board

Proposal:

Adoption of the 2021 Business Report and Financial Statements

Explanation:

- (1) The Company's Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, Huang, Tzu-Ping and Chen, Ming Hung of Ernst & Young CPA Firm. Also Business Report and Financial Statements have been approved by the Board and examined by the Audit Committee.
- (2) The 2021 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached on page 7 and 16, Appendix 1 and 3.

Resolution:

2.

Proposed by the Board

Proposal:

Adoption of the Proposal for Distribution of 2021 Profits

Explanation:

- (1) The Board has adopted a Proposal for Distribution of 2021 Profits in accordance with the Company Act and Articles of Incorporation. Please refer to the 2021 PROFIT DISTRIBUTION TABLE below.
- (2) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, distribution date, and other relevant issues.
- (3) In the event that, before the distribution record date, the proposed profit distribution is affected by an amendment to relevant laws or regulations, a request by the competent authorities, or a buyback of shares or issuance of new shares for transferring treasury shares to employees or for equity conversion in connection with domestic or overseas convertible corporate bonds or other convertible securities or employee stock options, it is proposed that the Board of Directors be authorized to adjust the cash to be distributed to each share based on the number of actual shares outstanding on the record date for distribution.
- (4) Please refer to the Profit Distribution Table as follows:

SINBON ELECTRONICS CO., LTD.
PROFIT DISTRIBUTION TABLE
Year 2021

(Unit: NTD)

Items	Total
Beginning retained earnings	\$1,980,418,323
Add: Other comprehensive profit(Defined benefit plan actuarial profits in 2021)	1,545,831
Add: net profit after tax	2,331,502,595
Less: 10% legal reserve	(233,304,843)
Add: Special surplus reserve reversal	17,753,345
Distributable net profit	4,097,915,251
Distributable items:	
Cash Dividend to shareholders(NT\$7.0/share)	(1,640,858,100)
Unappropriated retained earnings	\$2,457,057,151

Resolution:

Discussion Matters

1.

Proposed by the Board

Proposal:

Amendment to Rules of Procedure for Shareholder Meeting, please proceed to discuss.

Explanation:

In order to conform to the needs of commercial practice, the company hereby proposes to amend the Rules of Procedure for Shareholder Meeting. Please refer to page 29 (Appendix 4) for details.

Resolution:

2.

Proposed by the Board

Proposal:

Amendment to the Operational procedures for Acquisition and Disposal of Assets, please proceed to discuss.

Explanation:

In order to conform to the needs of commercial practice, the company hereby proposes to amend the Operational procedures for Acquisition and Disposal of Assets. Please refer to page 47 (Appendix 5) for details.

3.

Proposed by the Board

Proposal:

Amendment to Articles of Incorporation, please proceed to discuss.

Explanation:

In order to conform to the needs of commercial practice, the company hereby proposes to amend the Articles of Incorporation. Please refer to page 85 (Appendix 6) for details.

Other Matters
Questions and Motions
Adjournment

Appendix 1 The 2021 Business Report

A Message to Shareholders

I. Business Policy and Practice:

The Chief Executive Officer and the Vice President of the Company are charged with logistics management while the President is in charge of 2 Business Groups, the R&D Division, Global Supply Chain Management Division, Quality Assurance and Engineering Service Center, Production and Operation Research Management Division, and Operation Performance Management Division. The gravity of business operation covers:

- (I) The research and integrated manufacturing of electronic parts and components: manufacturing of wire harness, PCBA, wireless communication parts and components, and integrated electronic parts and components. The Company has successfully entered into the fields of automotive electronic parts and components, parts and components for electronic medical devices, EV, green energy, and industrial intelligence.
- (II) Dealership of electronic related parts and components: dealing with the trading of connectors made by HRS of Japan, GPS Module, R/F antennae module, Driver IC and other strategic electronic parts and components.
- (III) The Company seeks to further develop its business territory of electronic parts and components through direct investment, strategic alliance, and mergers & acquisitions. Examples are the investment to establish SINBON Hungary, SINBON USA, SINBON C&C, which enabled the Company to enter into the production and manufacturing of connectors and venture capitalists for possible joint venture.

The Company wishes to provide customers vertical service for Total Solutions at one-stop. Further to the positive development of new products and providing integrated and professional engineering services, the Company also successfully integrated the resources of its overseas subsidiaries through organization re-engineering and integration of information system to yield synergy to its entirety.

II. Business Highlight in 2021:

(I) Business Performance:

In 2021, the parent company of SINBON had net sale amounting to NT\$6,928,235 thousand with gross margin at 24% and operating income amounting to NT\$492,367 thousand, and net income of NT\$2,331,502 thousand with earnings per share at NT\$10.00 after taxation. The consolidated net sale of the whole group amounted to NT\$25,530,706 thousand with gross margin at 25% and operating income amounting to NT\$2,787,859 thousand, and net income of NT\$2,487,829 thousand. With the addition of net minority shareholder equity of NT\$156,327 thousand, net income attributable to shareholders of the parent company amounted to NT\$2,331,502 thousand with earnings per share at NT\$10.00 after taxation.

(II) The execution of operation budget:

The operating income plan was achieved at 103.73% with gross margin attainment at 101.18%, and operating income attained at 93.18% as planned. Net income attainment at 99.41% and the profit goal has been achieved as expected.

(III) Profitability analysis:

Item	2021	2020
Return on Assets (%)	15	16
Return on Equity (%)	24	25
Earnings before taxation to paid-in capital ratio (%)	117	105
Net profit rate (%)	34	38
Earnings per share (NTD)	10.00	9.08

(IV) R&D Outlook:

Year	Result of R&D
2011-2012	Successful development of HDMI, DDR 3, DDR 4, USB and other connectors and additional effort in the development of PV of which Junction Box, PV Connector and Cable have passed the tests of TUV and UL in PV international standard.
2013-2014	Our investee company, DigiO2, a digital medical service firm, engaged in a joint venture with the Remote Care Center of National Taiwan University Hospital in the remote care service project thereby developed the portable medical spraying device of “Brezze®Nebulizer”. This also enabled us to win the 2013 iF gold award in design from Germany.
2015-2016	1. Tablet PC development to DVT stage for SF Express. 2. Development to DVT stage for PC monitoring and control system. 3. EV Charger, EV charging gun, and AC charger pole are achieved at the DVT stage.
2017-2018	1. Assistance to the clients in the USA in the development of smart drug cabinet control line, smart light adjustable window control line. 2. Development of robotic arm control line, electronic fireplace, smart grids and other customized products.
2018-2019	1. Development of the sensor of safety air-bag belt, smart water heater, and parking lot display system. 2. AIOT (Artificial Intelligence of Things), the application system of AI x IoT.

2020-2021	1. Development of factory use automated data collector. This device can collect data on the status of machine operation and repetitions of the use of tool, and can generate product quantity data in real-time as interface for electronic production report for combining with the IoT technology to upload the data to cloud system in real-time. 2. Development of factory MES system to provide a platform for real-time information that gives assistance to the factory end in keeping production in control and the progress of work, and early warning on equipment maintenance. This helps management staff to improve their work efficiency and tracking the production. 3. Development of image verification system for assisting factory end for confirmation of the line color, line location and content of the label. This helps to eliminate the probability of human error in identification process.
2022-	1. The development, application, and cloud database of the integrated system for the control of smart car IoT & electric bike. 2. Furthering the technology in the research and development of products in the field of Data Capture (including Single & four slot Ethernet Cradle, Vehicle cradle, and Vehicle charger, and essential peripherals of industrial grade terminal) and the nurturing of the engineering and integration capacity. 3. Design and production of semiconductor equipment cabinets. 4. AI warehouse robots for moving materials to the production lines. 5. Development of various kinds of Mobility products, charging connectors for big current battery.

In 2021, the Group spent NT\$849,022 thousand on research and development, which was an increase of 24% from the same period of the previous year. Significant effort has been made in the development of IoT, warehouse automation equipment, smart cars, green energy industries, robotic application, smart home and electronic parts and components. Ongoing improvement will be made on factory equipment efficiency. The Group is expected to spend at least NT\$300 million or at least 3% of its revenue in research and development every year in the future.

Summary of 2022 Business Plan:

(V) Business policy in 2022:

1. Customized heavy-duty, water-proof and weather-resistance electronic wire harness and connector solutions: provide customized wire harness design, with extension to physical design, PCB assembly, Smart Cable and other integrated engineering services. The products will be used in green energy industries, EV charging equipment, high precision equipment, semiconductor equipment, and different kinds of medical testing equipment. SINBON was engaged in the business of electric bikes over the years
2. Ongoing dealership of electronic parts and components: With years of experience and professional standing in parts and components, The Company provides the customers with consultation service and technical support in different kinds of electronic parts and components, and emerged as the most reliable partner of the customers and agents.
3. Advocacy and pursuit of ESG sustainability strategy: the Company reorganized the Corporate Social Responsibility Committee and established the Sustainability Committee under the direct supervision of the Board in 2021. The CEO acts as the Director of this committee. The position of Sustainability Officer has also been created and is in charge of the “Sustainable Development Office” as the designated body for the advocacy and pursuit of ESG sustainability. The Sustainability Committee is consisted of 6 teams charged with the duties of “corporate governance”, “Green SINBON”, “environmental sustainability”, “sustainable supply chain”, “sustainable partnership”, and “value chain operation”.

These teams are administered by senior managers of the Company with the expectation of sustaining the upgrade of SINBON in the performance of environmental protection, social participation, and corporate governance in 2022.

4. Active indulgence in product R&D for strengthening competitive power: prepared for the training and development of R&D people for ongoing refinement of R&D and engineering capacity. Further to the supply of innovative customized design to the need of the customers, the Company also seeks to assure quality for the ongoing assistance to customers in upgrading product performance, developing products with high added-value and competitive power.
5. Launching for digital transformation and accelerating factory automation: buildup of smart factory, introducing different factory automation systems. Upgrade production efficiency with stable quality assurance through integrating the smart and digital process.

(VI) Important policies of production and sale:

1. Strategic Alliance:

Through strategic alliance or direct investment to respond to the rapid changes in market with expansion of business and vertical integration in the development, design, validation, and production of customized precision connectors to the expectation of the customers.

2. Continued performance improvement:

Direct management of the indicators and operation performance of all business units of the group through the performance evaluation function of the group.

3. Development of niche products:

The Company provides integrated engineering service to upgrade the added-value of products. The gravity of production and sale rest with the development of niche models and products with challenge. The Company has successfully completed the development of high voltage wire harness for EC, aviation/navigation/vehicle GPS electronic parts and components, portable body signal devices, x-ray machine, MRI devices, porosity testing device, wind power generator, and also actively involved in the

development of industrial controllers, industrial computer, electronic medical devices, PV and wind power generation, and aviation electronic parts and components.

4. In-depth development of the iMAGIC industry:

The Company aligns with the development trend and is engaged in the development of medical use, automotive, green, industrial, and communication connectors and PCBA, and further the development of the parts and components for automated warehouse system, robotic arms, warehouse moving robots, smart power system, unmanned shops, EV charging module, IoT module electric bikes, and drones.

III. The influence of the external competitive environment, regulatory environment and macroeconomic environment:

The last few years was characterized by the ongoing China-US trade war, echoed with the global economic uncertainty under the outbreak of COVID-19, the sustained shortage and price surge of raw material supply, wide fluctuation of exchange rate, and international conflicts with unpredictable outcomes. The global supply chain was hardly hit. The challenge to the electronic manufacturers was even stronger. The Company responds to the situation through global deployment to bolster the management of the supply chain so as to reduce operation risk, provide customers boundary fee and zero lead-time service and support. In addition, SINBON seeks to speed up the introduction of automated production equipment and AMR, industrial use robotic arms for man-machine coordinated operation to tackle with the global shortage of labor supply. The Company is prepared to respond to any unfavorable situations to minimize the influence.

IV. Development strategy of the Company in the future:

- (I) The Company will continue to go for high growth through the launch of the strategic matrix (existing customers and products, existing customers and new products, and new customers and new products).
- (II) The Company has established a designated body for business development. This body is responsible for keeping track on market situation and the trend of development in the future so as to search the next generation products for the Company.

- (III) Continue to upgrade the R&D team and fortify its core know-how, and lay hands on frontier industries as early as possible and continue to challenge for products with challenging sophistication.
- (IV) Strategic Alliance: SINBON has proactively sought strategic alliance or joint venture partners through different channels over the years. This would help to bolster the competitive power of the Company and also provide the customers with total solutions in service through the integration of resources.
- (V) Indulge in sustainability and corporate governance, and voluntarily take part in major ESG rating at global level. SINBON also proactively responds to the SDGs of the United Nations, and gear up with the world for sketching out the strategic road map for sustainability in mid to long-term.

The management team would like to express its gratitude to the shareholders for their support and encouragement, and hopes the shareholders could continue to give supervision and suggestion to the team in the year ahead. As always, SINBON will persist with its corporate philosophy to yield good result for sharing with the shareholders.

To
General Meeting of Shareholders, SINBON Electronics Co., Ltd.

Chairman: Joseph Wang

Appendix 2 Audit Committee Review Report on the 2021 Financial Statements

Review Report of Auditing Committee

March 11, 2022

The Board of Directors prepared the 2021 Separate Financial Statements and Consolidated Financial Statements of SINBON Electronics Co., Ltd., which have been audited by the Independent Auditors from Ernst & Young Taiwan, Tzu-Ping,Huang,CPA and Ming Hung, Chen,CPA. These statements and the Business Report and Proposal for Distribution of Earnings have been reviewed by the Auditing Committee. In our opinion, these statements and reports were proper in compliance with the Company Act and other applicable legal rules, and hereby presented for your approval pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

General Meeting of Shareholders of SINBON Electronics Co., Ltd.

SINBON Electronics Co., Ltd.

Convener of Auditing Committee,
Ho-Ming, Chen

Appendix 3 2021 Financial Statements

Independent Auditors' Report

To SINBON Electronics Co., Ltd.

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2021 and 2020, and its consolidated financial performance and cash flows for the years ended 31 December 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, and 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with

the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Valuation for inventories

As of 31 December 2021, the Group's net inventories amounted to NT\$10,179,125 thousand. Net inventories accounted for 37% of consolidated total assets, which was considered material in the consolidated statements. As the fluctuation in market demand and the fast-changing technology could cause losses of obsolete and slow-moving inventories, the assessment of the inventory write-downs require significant management judgement. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the adequacy of accounting policy around obsolete and slow-moving inventories; evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; and evaluating and testing net realizable value adopted by management. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the Group's consolidate financial statements.

2. Impairment of accounts receivable

As of 31 December 2021, gross accounts receivable and loss allowance by the Group amounted to NT\$5,970,535 thousand and NT\$1,166 thousand, respectively. Net accounts receivable accounted for 22% of consolidated total assets. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As

the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the appropriateness of the grouping of account receivables and confirming whether customers with significantly different credit loss types are grouped by similar risk characteristics. Testing the provision matrix, including evaluating the appropriateness of the aging intervals and the accuracy of the basic data by reviewing the original certificates; testing the related statistics information of loss rate based on the rolling rate within one year. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the Group's consolidate financial statements.

Other Matter– Making Reference to the Audits of Component Auditors

As explained in Note 4(3), we did not audit the financial statements of certain consolidated subsidiaries, which statements reflected total assets of NT\$5,846,770 thousand and NT\$4,479,558 thousand, representing 22% and 19% of consolidated total assets as of 31 December 2021 and 2020, respectively, and total operating revenues of NT\$7,159,405 thousand and NT\$4,902,880 thousand, representing 28% and 22% of consolidated operating revenues for the years ended 31 December 2021 and 2020, respectively. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. As explained in Note 6(7), these associates and joint ventures under equity method amounted to NT\$784,175 thousand and NT\$715,375 thousand, both representing 3% of consolidated total assets as of 31 December 2021 and 2020. The related shares of profits from the associates and joint ventures under the equity method amounted to NT\$130,470 thousand and NT\$128,830 thousand, representing 4% and 5% of the consolidated net income before tax for the years ended 31 December 2021 and 2020, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT\$53,842 thousand and NT\$81,485 thousand, representing 272% and 89% of the consolidated other comprehensive income for the years ended 31 December 2021 and 2020, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Group, 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 audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

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 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 internal control of the Group.
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 ability to continue as a going concern of the Group. 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 accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other

matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 consolidated financial statements 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.

Other

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended 31 December 2021 and 2020.

/s/Huang, Tzu Ping

/s/Chen, Ming Hung

Ernst & Young, Taiwan

11 March 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with 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.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2021	2020
Current assets			
Cash and cash equivalents	4,6(1)	\$4,008,815	\$4,450,375
Financial assets at fair value through profit or loss, current	4,6(2)	247,949	252,618
Notes receivable, net	4,6(3)	724,820	1,264,482
Accounts receivable, net	4,6(4),7	5,969,369	6,370,363
Other receivables	7	292,394	196,961
Current income tax assets		17,492	26,284
Inventories	4,6(5)	10,179,125	6,164,699
Prepayments		510,812	340,261
Other current assets		106,096	20,985
Total current assets		<u>22,056,872</u>	<u>19,087,028</u>
Non-current assets			
Financial assets at fair value through profit or loss, noncurrent	4,6(2)	2,333	-
Financial assets at fair value through other comprehensive income, noncurrent	4,6(6)	388,571	299,065
Investments accounted for under the equity method	4,6(7)	784,175	715,375
Property, plant and equipment	4,6(8)	2,828,071	2,701,729
Right-of-use assets	4,6(19)	461,993	353,599
Other intangible assets		48,226	70,899
Deferred tax assets	4,6(23)	136,774	131,384
Other non-current assets	4,6(9)	441,705	323,964
Total non-current assets		<u>5,091,848</u>	<u>4,596,015</u>
Total assets		<u>\$27,148,720</u>	<u>\$23,683,043</u>

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS(Continued)
31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of 31 December	
		2021	2020
Current liabilities			
Short-term loans	4,6(10)	\$3,357,725	\$3,061,501
Financial liabilities at fair value through profit or loss, current	4,6(11)	241	22,112
Contract liabilities, current	4,6(17)	2,825,473	1,677,711
Notes payable		436,717	545,655
Accounts payable		5,703,930	4,820,571
Other payables	4,6(12),7	1,493,951	1,294,578
Current tax liabilities	4	138,546	240,258
Lease liabilities, current	4,6(19)	93,555	77,830
Current portion of long-term loans		301,017	3,636
Other current liabilities		25,491	49,232
Total current liabilities		<u>14,376,646</u>	<u>11,793,084</u>
Non-current liabilities			
Financial liabilities at fair value through profit or loss, noncurrent	4,6(11)	-	2,470
Bonds payable	4,6(13)	994,351	1,256,981
Long-term loans	4	10,983	308,094
Deferred tax liabilities	4,6(23)	242,579	226,025
Lease liabilities, noncurrent	4,6(19)	307,261	240,742
Long-term deferred revenue	4,6(14)	13,957	14,378
Net defined benefit obligation, noncurrent	4,6(15)	67,561	72,965
Other non-current liabilities-others		2	171
Total non-current liabilities		<u>1,636,694</u>	<u>2,121,826</u>
Total liabilities		<u>16,013,340</u>	<u>13,914,910</u>
Equity attributable to the parent company			
Capital	6(16)		
Common stock		2,333,770	2,327,775
Certificates of bond-to-stock conversion		8,290	-
Subtotal		<u>2,342,060</u>	<u>2,327,775</u>
Additional Paid-in Capital	6(16)	<u>2,190,472</u>	<u>1,885,096</u>
Retained earnings			
Legal reserve		1,493,995	1,280,774
Special reserve		399,729	481,223
Unappropriated earnings		4,313,466	3,579,649
Subtotal		<u>6,207,190</u>	<u>5,341,646</u>
Other components of equity	4		
Exchange differences on translation of foreign operations		(561,279)	(501,613)
Unrealized gains or losses measured at fair value through other comprehensive income		179,303	101,884
Subtotal		<u>(381,976)</u>	<u>(399,729)</u>
Non-controlling interests	4,6(16)	<u>777,634</u>	<u>613,345</u>
Total equity		<u>11,135,380</u>	<u>9,768,133</u>
Total liabilities and equity		<u>\$27,148,720</u>	<u>\$23,683,043</u>

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the years ended 31 December	
	Notes	2021	2020
Operating revenues	4,6(17),7	\$25,530,706	\$21,797,542
Operating costs	6(5.20),7	(19,121,511)	(16,211,545)
Gross profit-net		6,409,195	5,585,997
Operating expenses	6(20),7		
Sales and marketing expenses		(1,525,269)	(1,178,676)
General and administrative expenses		(1,245,255)	(1,074,736)
Research and development expenses		(849,022)	(683,312)
Expected credit losses	4,6(18)	(1,790)	(96)
Subtotal		(3,621,336)	(2,936,820)
Operating income		2,787,859	2,649,177
Non-operating income and expenses	6(21)		
Interest revenue		12,707	12,551
Other income		216,950	172,965
Other gains and losses		(40,340)	(186,541)
Finance costs		(78,946)	(49,116)
Share of profit or loss of associates and joint ventures in equity method	4,6(7)	130,470	128,830
Subtotal		240,841	78,689
Income from continuing operations before income tax		3,028,700	2,727,866
Income tax expense	4,6(23)	(540,871)	(544,366)
Net income		2,487,829	2,183,500
Other comprehensive income	6(22)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(178)	526
Unrealized gains on equity instruments measured at fair value through other comprehensive income		28,401	(11,517)
Share of other comprehensive income of associates and joint ventures which will not be reclassified subsequently to profit or loss	6(7)	54,053	77,323
Income tax related to items that may not be reclassified subsequently		36	(104)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(77,543)	23,993
Share of other comprehensive (loss) income of associates and joint ventures which may be reclassified subsequently to profit or loss	6(7)	(211)	4,162
Income tax related to items that may be reclassified subsequently		15,249	(3,107)
Total other comprehensive income, net of tax		19,807	91,276
Total comprehensive income		\$2,507,636	\$2,274,776
Net income attributable to:	4,6(24)		
Stockholders of the parent		\$2,331,502	\$2,113,868
Non-controlling interests		156,327	69,632
		\$2,487,829	\$2,183,500
Comprehensive income attributable to:			
Stockholders of the parent		\$2,350,660	\$2,213,705
Non-controlling interests		156,976	61,071
		\$2,507,636	\$2,274,776
Earnings per share (NTD)			
Earnings per share-basic	4,6(24)	\$10.00	\$9.08
Earnings per share-diluted		\$9.80	\$9.07

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to the Parent Company										
	Capital		Retained earnings				Other components of equity		Non-Controlling Interests	Total Equity	
	Common stock	Certificates of Bond-to-Stock Conversion	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) on Equity Instruments Measured at Fair Value Through Other Comprehensive Income			
								Gain (losses)			
									Total		
Balance as of 1 January 2020	\$2,325,237	\$1,457	\$1,228,781	\$1,108,150	\$341,933	\$2,993,072	\$(522,918)	\$41,695	\$7,517,407	\$279,806	\$7,797,213
Appropriation and distribution of 2019 retained earnings											
Legal reserve				172,624		(172,624)			-		-
Special reserve					139,290	(139,290)			-		-
Cash dividends						(1,233,720)			(1,233,720)		(1,233,720)
Other changes in additional paid-in capital											
Embedded conversion options derived from convertible			143,735						143,735		143,735
Change of associates and joint ventures in equity method			136,974						136,974		136,974
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			6,457						6,457		6,457
Changes in ownership interests in subsidiaries			363,080						363,080		363,080
Net income in 2020						2,113,868			2,113,868	69,632	2,183,500
Other comprehensive income (loss), net of tax in 2020						422	21,305	78,110	99,837	(8,561)	91,276
Total comprehensive income	-	-	-	-	-	2,114,290	21,305	78,110	2,213,705	61,071	2,274,776
Increase in non-controlling interests										272,468	272,468
Proceeds from disposal of equity instruments at fair value through other comprehensive income of associates and joint ventures						1,571		(1,571)	-		-
Proceeds from disposal of equity instruments at fair value through other comprehensive income						16,350		(16,350)	-		-
Bonds converted to stock	2,538	(1,457)	6,069						7,150		7,150
Balance as of 31 December 2020	\$2,327,775	\$ -	\$1,885,096	\$1,280,774	\$481,223	\$3,579,649	\$(501,613)	\$101,884	\$9,154,788	\$613,345	\$9,768,133
Balance as of 1 January 2021	\$2,327,775	\$ -	\$1,885,096	\$1,280,774	\$481,223	\$3,579,649	\$(501,613)	\$101,884	\$9,154,788	\$613,345	\$9,768,133
Appropriation and distribution of 2020 retained earnings											
Legal reserve				213,221		(213,221)			-		-
Cash dividends						(1,467,504)			(1,467,504)		(1,467,504)
Special reserve reversal					(81,494)	81,494			-		-
Other changes in additional paid-in capital											
Proceeds from disposal of investments accounted for using equity method			(2,415)			472	30	(472)	(2,385)		(2,385)
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			33,203						33,203		33,203
Changes in ownership interests in subsidiaries			10,174						10,174		10,174
Net income in 2021						2,331,502			2,331,502	156,327	2,487,829
Other comprehensive income (loss), net of tax in 2021						(142)	(59,696)	78,996	19,158	649	19,807
Total comprehensive income (loss)	-	-	-	-	-	2,331,360	(59,696)	78,996	2,350,660	156,976	2,507,636
Increase in non-controlling interests										7,313	7,313
Proceeds from disposal of equity instruments at fair value through other comprehensive income of associates and joint ventures						(748)		748	-		-
Proceeds from disposal of equity instruments at fair value through other comprehensive income						1,964		(1,853)	111		111
Bonds converted to stock	5,995	8,290	264,414						278,699		278,699
Balance as of 31 December 2021	\$2,333,770	\$8,290	\$2,190,472	\$1,493,995	\$399,729	\$4,313,466	\$(561,279)	\$179,303	\$10,357,746	\$777,634	\$11,135,380

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from operating activities:		
Net income before tax	\$3,028,700	\$2,727,866
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expense adjustments:		
Depreciation	444,258	327,573
Amortization	39,914	32,246
Interest expense	78,946	49,116
Interest income	(12,707)	(12,551)
Dividend income	(16,559)	(20,688)
Share of profit of associates and joint ventures	(130,470)	(128,830)
(Gain) Loss on disposal of property, plant and equipment	(9,767)	5,882
Expected credit loss	1,790	96
Gain on disposal of investments	(22,361)	-
Gain of financial assets/liabilities at fair value through loss or profit	(75,433)	(12,836)
Property, plant and equipment transfer to expenses	2,874	-
Amortization of deferred government grants	(360)	(355)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	539,662	(434,513)
Decrease (increase) in accounts receivable	399,204	(2,303,291)
Increase in other receivables	(110,708)	(45,852)
Increase in inventories, net	(4,014,426)	(1,665,380)
Increase in prepayments	(170,551)	(126,183)
Increase in other current assets	(85,111)	(7,575)
(Decrease) increase in notes payable	(108,938)	357,010
Increase in accounts payable	883,359	1,416,137
Increase in contract liabilities	1,147,762	712,988
Increase in other payables	199,489	260,165
(Decrease) increase in other current liabilities	(23,741)	1,654
Decrease in accrued pension liabilities	(5,582)	(3,467)
Cash generated from operations	1,979,244	1,129,212
Interest received	12,707	12,665
Dividends received	16,559	20,688
Interest paid	(62,437)	(42,555)
Income tax paid	(600,577)	(572,320)
Net cash provided by operating activities	1,345,496	547,690

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English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS(Continued)
For the years ended 31 December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2021	2020
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(541,353)	(658,686)
Proceeds from disposal of property, plant and equipment	150,118	8,485
Decrease in other intangible assets	22,673	6,813
Dividends received	102,977	75,548
Acquisition of financial assets at fair value through other comprehensive income	(75,000)	(68,099)
Proceeds from disposal of financial assets at fair value through other comprehensive income	23,590	28,029
Decrease in financial assets at fair value through other comprehensive income	2,449	3,061
Proceeds from disposal of financial assets at fair value through profit or loss	52,870	11,655
Acquisition of financial assets at fair value through profit or loss	-	(60,069)
Acquisition of investments accounted for under the equity method	-	(75,395)
Proceeds from disposal of investments accounted for under the equity method	38,082	-
Increase in other noncurrent assets	(248,332)	(175,345)
Increase in other account receivable	(2,437)	-
Proceeds from disposal of subsidiaries	-	(241)
Net cash used in investing activities	(474,363)	(904,244)
Cash flows from financing activities:		
Increase in short-term loans	296,224	333,098
Proceeds from bonds issued	-	1,402,864
Increase in long-term loans (including current portion)	270	296,191
Cash dividends	(1,467,504)	(1,233,720)
Cash payments for the principal portion of the lease liability	(123,938)	(74,131)
(Decrease) increase in deposits received	(169)	169
Increase in non-controlling interests	50,690	468,776
Net cash (used in) provided by financing activities	(1,244,427)	1,193,247
Effect of exchange rate changes on cash and cash equivalents	(68,266)	34,493
Net (decrease) increase in cash and cash equivalents	(441,560)	871,186
Cash and cash equivalents at beginning of period	4,450,375	3,579,189
Cash and cash equivalents at end of period	\$4,008,815	\$4,450,375

(The accompanying notes are an integral part of the consolidated financial statements)

Appendix 4 Amendment to Rules of Procedure for Shareholder Meeting

After the Amendment	Before the Amendment	Description
Article 1 <u>Any change in the mode of convention of the Shareholder Meeting shall be subject to the resolution of the Board and shall be made known to the shareholders no later than the scheduled date of the convention.</u> <u>The Company shall</u> deliver the <u>notice of meeting</u>, the documents for power of attorney, and specify the causes of motions for recognition, discussion, election or relief of the Directors and explanation with compilation into electronic format for sending to <u>the designated website of the Financial Supervisory Commission for declaration 30 days prior to the scheduled date of regular session and 15 days prior to the scheduled date of special session.</u> The Company shall also prepare the Shareholder Meeting Procedure Handbook and supplementary information in electronic format for sending to <u>the designated website of the Financial Supervisory Commission for declaration</u> 21 days prior to the scheduled date of regular session and 15 days prior to the schedule date of special session. <u>If the</u>	Article 1 In calling for a regular session of the Shareholder Meeting, transmit the notice of meeting, the documents for power of attorney, and specify the causes of motions for recognition, discussion, election or relief of the Directors and explanation with compilation into electronic format to MOPS 30 days prior to the scheduled date of regular session and 15 days prior to the schedule date of special session. The Company shall also prepare the Shareholder Meeting Procedure Handbook and supplementary information in electronic format for sending to MOPS 21 days prior to the scheduled date of regular session and 15 days prior to the schedule date of special session. The Company shall make available the aforementioned Procedure Handbook and supplementary information for the viewing of the shareholders at any time, and exhibit the said documents at the business place of the Company and the office of the share registrar and investor service agents, and release at the scene of the meeting.	Amendment to the Regulations in line with the permission of convention of Shareholder Meeting through videoconferencing.

<u>shareholding of foreign investors and investors from Mainland China as prescribed in the Shareholders Registry for the regular session of Shareholder Meeting in the previous period accounted for more than 30% of the outstanding shares, the electronic file of the said documents and information shall be transmitted 30 days prior to the scheduled date of the regular session of Shareholder Meeting.</u> <u>The Company shall make available the aforementioned Procedure Handbook and supplementary information for the reference of the shareholders on the day of the Shareholder Meeting in session:</u> 1. <u>Release at the venue where the physical meeting was held.</u> 2. <u>Release at the venue where the physical meeting was held, and transmit in electronic file to the videoconference platform if videoconferencing was simultaneously held.</u> 3. <u>Transmit in electronic file to the videoconference platform is the session is held via videoconferencing.</u>		
Article 2 The processing of shareholder	Article 2 The processing of shareholder	Amendment to the Regulations in line with the permission of public

registration for the meeting shall be started 30 minutes before the scheduled time of the meeting. The registration desk shall be properly marked and staffed with sufficient service personnel. <u>Shareholders shall register for attendance at the videoconference platform 30 minutes prior to the scheduled meeting time if the Shareholder Meeting is held via videoconferencing. Shareholders who completed the registration shall be deemed attending the meeting in person.</u> <u>The attendance of shareholders in Shareholder Meeting shall be accounted for by the quantity of shareholding represented.</u> The number of shares being represented in the meeting is based on the record of the sign-in register or the attendance card being submitted, <u>and the number of shares represented by shareholders registered for videoconferencing,</u> plus the number of voting shares exercised through correspondence or electronic voting. <u>If the Shareholder Meeting convenes via videoconferencing, and the shareholders elect to attend the videoconference, they shall register with the Company 2 days prior to the scheduled date</u>	registration for the meeting shall be started 30 minutes before the scheduled time of the meeting. The registration desk shall be properly marked and staffed with sufficient service personnel. The number of shares represented by the shareholders in session shall be based on the quantity of shares stated in the sign-in registry or the attendance cards being submitted, plus the quantity of voting shares cast by correspondence or electronic mean.	companies to hold Shareholder Meeting via videoconferencing.
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<u>of meeting. The Company shall upload the Procedure Handbook, Annual Report, and other related information to the videoconference platform of Shareholder Meeting at least 30 minutes prior to the commencement of the meeting until the conclusion.</u> <u>If the Company elects to hold the Shareholder Meeting via videoconferencing, specify the following in the Shareholder Meeting Notice:</u> 1. <u>Shareholders participating in videoconferencing and the exercise of rights.</u> 2. <u>In case the videoconference platform or the means of participating in videoconference is interrupted due to force majeure such as natural disasters or specific incidents, the Company shall proceed with at least the following to eliminate the situations:</u> 2-1 <u>The aforementioned interruption continued and cannot be eliminated that the videoconference has to be postponed or extended. Specify the date of the postponed meeting or the extended meeting.</u>		
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2-2 <u>Shareholders who did not register for the videoconference in the first place are not entitled to participate in the deferred of extended videoconference.</u> 2-3 <u>If the Shareholder Meeting convenes in physical meeting and supported by videoconferencing but the videoconference cannot be continued, and the total quantity of shares represented by the shareholders in both the physical session and videoconference net of the quantity of shares represented by shareholders in videoconference is sufficient to qualify for a quorum, the Shareholder Meeting shall continue. The quantity of shares represented by shareholders participating in videoconference of the session shall be counted as an integral part of the total quantity of shares</u>		
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<u>represented in the meeting. However, these shareholders shall be deemed abstained from participating in all the motions presented in the session.</u> 2-4 <u>If all the motions were resolved and the results were announced pending on the presentation of extemporary motions, the Company shall proceed with the following.</u> 3. <u>Appropriate substitution plan shall be provided to shareholders participating in videoconferencing when encountering problems and should be explicitly stated.</u>		
Article 4 <u>Shareholder Meeting of the Company convenes via videoconferencing shall not be governed by the aforementioned restriction.</u>	Article 4 	Amendment to the Regulations in line with the permission of public companies to hold Shareholder Meeting via videoconferencing.
Article 5 If the Shareholder Meeting convenes to the call of the Board, the Chairman shall be the presiding officer. In the absence of the Chairman due to leave or for other reasons, the Vice President shall act on behalf of	Article 5 If the Shareholder Meeting convenes to the call of the Board, the Chairman shall be the presiding officer. In the absence of the Chairman due to leave or for other reasons, the Vice President shall act on behalf of the Chairman. If there is	Amendment to the Regulations in supporting the Financial Supervisory Commission (hereinafter referred to as "FSC") "Corporate Governance 3.0 - Sustainability Road Map".

the Chairman. If there is no Vice Chairman or in the absence of the Vice Chairman due to leave or other reasons, the Chairman shall appoint an Executive Director to act as the presiding officer. If there is no Executive Directors, a Director shall be appointed for this purpose. If the Chairman did not appoint any Director to preside over the meeting, the Directors shall nominate one among themselves to act as the presiding officer. If the Shareholder Meeting convenes to the call of a third party other than the Board who is entitled to call for the meeting, this party shall act as the presiding officer in the meeting. If an Executive Director or Director acts as the presiding officer as mentioned, this Executive Director or Director must be in office for at least 6 months and understand the financial position and operation of the Company. The same principle and procedure is applicable to circumstances where the presiding officer is the representative of an Institutional Director.	no Vice Chairman or in the absence of the Vice Chairman due to leave or other reasons, the Chairman shall appoint an Executive Director to act as the presiding officer. If there is no Executive Directors, a Director shall be appointed for this purpose. If the Chairman did not appoint any proxy to preside over the meeting, the Executive Directors or Directors shall nominate one among themselves to act as the presiding officer. If the Shareholder Meeting convenes to the call of a third party other than the Board who is entitled to call for the meeting, this party shall act as the presiding officer in the meeting. If an Executive Director or Director acts as the presiding officer as mentioned, this Executive Director or Director must be in office for at least 6 months and understand the financial position and operation of the Company. The same principle and procedure is applicable to circumstances where the presiding officer is the representative of an Institutional Director.	
Article 7 <u>If the Shareholder Meeting convenes via videoconferencing, the Company shall keep the</u>	Article 7 	Amendment to the Regulations in line with the permission of public companies to hold Shareholder Meeting via

<u>information on the enrollment, registration, sing-in, query, voting and the vote count result on record and the entire course of meeting shall be voice recorded and videotaped without interruption.</u> <u>The Company shall properly keep the aforementioned information and voice record and videotape in its perpetuity, and refer the voice record and the videotape to the commissioned professional videoconference service provider for safekeeping.</u> <u>For Shareholder Meeting convenes via videoconferencing, the Company should conduct voice recording and videotaping on the back-end operation interface of the videoconference.</u>		videoconferencing.
Article 8 , <u>the presiding officer shall announce for the lack of quorum for the session. Likewise, the Company shall also announce for the lack of a quorum for the session via videoconferencing.</u> If session is delayed twice <u>as previously mentioned</u> and the total quantity of shares represented by the attending shareholders falls below 1/3 of the total outstanding shares, provisional resolution may be made pursuant to Paragraph 1 under Article 175 of the Company Act <u>and inform all shareholders</u>	Article 8 If the session has been delayed twice and a quorum is still cannot be qualified, but the shareholders in session represented more than 1/3 of the total outstanding votes, provisional resolution may be made pursuant to Paragraph 1 under Article 175 of the Company Act. 	Amendment to the Regulations in supporting the Financial Supervisory Commission (hereinafter referred to as "FSC") "Corporate Governance 3.0 - Sustainability Road Map"

<u>of the provision resolution and call for the session of the Shareholder Meeting again within 1 month thereafter. If the Shareholder Meeting convenes via videoconferencing, and the shareholders desire to attend via videoconferencing, register again with the Company pursuant to Paragraphs 1~5 under Article 2.</u> <u>For provisional resolution made in the Shareholder Meeting as mentioned in Paragraph 2 of this article with the presence of shareholders representing more than 1/3 of the total outstanding shares in the session, and the resolution was made by a simple majority of voting rights being represented, it shall be deemed resolution has been made pursuant to Article 174 of the Company Act.</u>		
Article 14 <u>If the Shareholder Meeting convenes via videoconferencing, shareholders entitled to participate by videoconferencing may raise questions in text form at the videoconference platform of the Shareholder Meeting from the commencement to the conclusion of the meeting. No more than 2 questions could be raised on the same motion and the length of each question is no more than 200 words where the</u>	Article 14 	Amendment to the Regulations in line with the permission of public companies to hold Shareholder Meeting via videoconferencing.

<u>rules under Article 10 to Article 12 could be exempted.</u> <u>If the aforementioned questions fall within the allowable scope and the scope of the motion, they will be disclosed at the videoconference platform of the Shareholder Meeting to the attention of all.</u>		
Article 16 <u>If the Shareholder Meeting convenes via videoconferencing, shareholders attending the meeting via videoconferencing may cast votes on the motions and election through the videoconference platform after the presiding officer has announced the meeting in session, and complete the voting before the presiding officer announce for the adjournment of the meeting or shall be taken as abstention.</u> <u>Votes cast in Shareholder Meeting convenes in via videoconferencing shall be counted at one time after the presiding officer has announced for the end of voting. The voting and election result shall be announced at the same time.</u> <u>If the Shareholder Meeting convenes in physical session and supported by videoconferencing, and the shareholders who have previously registered for</u>	Article 16 	Amendment to the Regulations in line with the permission of public companies to hold Shareholder Meeting via videoconferencing.

<u>attending the meeting through videoconferencing but later intend to attend the physical session in person, they may cancel the registration in the same manner as registration for attending the meeting through videoconference 2 days prior to the schedule date of the meeting. Shareholders who cancel the previous registration for attending the meeting through videoconference before the deadline may only attend the Shareholder Meeting via videoconferencing.</u> <u>Shareholders who cast votes cast in the form of correspondence or electronic mean without revoking the previous expression of intent cannot vote on the previous motion for a second time, propose amendment to the previous motion, or vote again on the amendment to the previous motion except for extemporary motion.</u>		
Article 18 When the Shareholder Meeting of the Company is in session, votes may be cast in the form of correspondence or electronic mean..... <u>If the power of attorney has been delivered to the Company, and the shareholders concerned intend to attend the Shareholder Meeting via videoconferencing,</u>	Article 18 When the Shareholder Meeting of the Company is in session, votes may be cast in the form of correspondence or electronic mean. If it is due for voting, the presiding officer or the designated personnel shall announce the total quantity of voting rights represented by the shareholders in session.	Amendment to the Regulations in line with the permission of public companies to hold Shareholder Meeting via videoconferencing.

<u>they shall notify the Company in writing to revoke the previous authorization of agent 2 days prior to the scheduled date of the meeting. Shareholders who cannot revoke the previous authorization of agent beyond the deadline may only attend the meeting by the proxy and vote by the proxy.</u> If it is due for voting, the presiding officer or the designated personnel shall announce the total quantity of voting rights represented by the shareholders in session. Shareholders shall cast their votes on the motions one-by-one. On the day after the adjournment of the Shareholder Meeting, the result of the yes and no votes, or the abstention, <u>shall be entered into the designated website of FSC for declaration.</u> If there is no objection under the inquiry of the presiding officer, it shall be deemed passed and the effect shall be the same as physical votes. <u>Shareholders shall recuse from voting on motions that may relate to their private interest, and cannot act on behalf of other shareholders in voting.</u>	Shareholders shall cast their votes on the motions one-by-one. On the day after the adjournment of the Shareholder Meeting, the result of the yes and no votes, or the abstention, shall be entered into MOPS. If there is no objection under the inquiry of the presiding officer, it shall be deemed passed and the effect shall be the same as physical votes.	
Article 21 The distribution of the aforementioned minutes of	Article 21 The distribution of the minute of meeting on record as mentioned	Amendment to the Regulations in line with the permission of public companies to hold

meeting on record may be made through entry <u>to the designated website of FSC</u> for announcement. <u>The sign-in registry and the power of attorney presented by the proxies to the meeting shall be kept for at least 1 year. If there is legal proceeds instated by shareholders under Article 189 of the Company Act, the said document shall be kept until the final ruling of the proceedings. If the Shareholder Meeting convenes via videoconferencing, information on the starting and ending time of the meeting, how the meeting is unfolded, the names of the presiding officer and the record clerk should be inscribed in the minutes of meeting on record further to the particulars to be inscribed as mentioned in the preceding paragraph. In addition, the plan in response to the interruption of the videoconference platform or participation via videoconferencing due to natural disaster, specific incidents or other forms of force majeure, and the status of the response. Further to the aforementioned requirement, if the Shareholder Meeting is to be convened via videoconferencing, a substitution plan should be provided for the shareholders who participate via</u>	may be made through announcement by entry <u>into MOPS</u>.....	Shareholder Meeting via videoconferencing.
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<u>videoconferencing have problems in participating in the meeting, which should be inscribed as an integral part of the minute of meeting on record.</u>		
Article 22 <u>If the Shareholder Meeting convenes via videoconferencing, the Company shall disclose the result of voting on each motion and election at the videoconference platform of the Shareholder Meeting after the voting is concluded, and shall continue the disclosure for at least 15 minutes after the presiding officer has announced for the adjournment of the meeting.</u>	Article 22 (Added)	Amendment to the Regulations in line with the permission of public companies to hold Shareholder Meeting via videoconferencing.
Article 23 <u>If the Shareholder Meeting is in session, the presiding officer and the record clerk shall be at the same location in Taiwan, and the presiding officer shall announce the meeting in session at the same address.</u>	Article 23 (Added)	Amendment to the Regulations in line with the permission of public companies to hold Shareholder Meeting via videoconferencing.
Article 24 <u>If the Shareholder Meeting is to be convened via videoconferencing, the Company shall provide easy connection test with the shareholders before the meeting, and provide related service when the Shareholder Meeting is in session for assisting them to handle technical problem in communication.</u>	Article 24 (Added)	Amendment to the Regulations in line with the permission of public companies to hold Shareholder Meeting via videoconferencing.

<u>If the Shareholder Meeting is to be convened via videoconferencing, and there is the occurrence of natural disasters, specific incidents or other forms of force majeure from the time the presiding officer announces the meeting in session to the time the presiding officer announces for the adjournment of the meeting, to the effect that the videoconference platform or the mean of participation in videoconferencing for the meeting is interrupted for more than 30 minutes consecutively, the meeting shall be postponed or extended within 5 days thereafter except under Paragraph 4 under Article 44-20 of the “Regulations Governing the Administration of Shareholder Services of Public Companies” that postponement or extension of the meeting is not required thereby Article 182 of the “Company Act” shall not be applicable to this context. Shareholders who have not registered for participation in the original Shareholder Meeting via videoconferencing cannot participate in the postponed or extended meeting if the meeting is to be postponed or extended. If the Shareholder Meeting is to be postponed or extended under</u>		
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<u>Paragraph 2, shareholders who have registered to participate through videoconference and have completed the registration for the meeting but are absent for the postponed or extended part of the meeting, the quantity of shares they represented, the voting rights and election rights being exercised in the meeting before postponement or extension shall be included in the total quantity of shares, the voting rights and election rights represented by shareholders attending the postponed or extended part of the meeting.</u> <u>If the Shareholder Meeting is to be postponed or extended under Paragraph 2, motions that have been voted and counted and the result was announced or the list of candidates elected to the seats of Directors is passed, it will not be necessary to go for a new round of discussion and resolution.</u> <u>If the Shareholder Meeting of the Company convenes in physical session supported by videoconferencing at the same time, and the videoconference was interrupted as stated in Paragraph 2, if the quantity of shares represented by the shareholders participating via videoconferencing were deducted and the quantity of</u>		
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<u>shares represented by the shareholders in the physical session can still qualify for a quorum, the meeting shall be continued and the postponement or extension of meeting as stated in Paragraph 2 will not be necessary.</u> <u>If the Shareholder Meeting is to be continued as stated in the previous paragraph, the quantity of shares represented by shareholders participating in the meeting via videoconferencing shall be counted as a part of the total quantity of shares represented by shareholders in session. However, these shareholders shall be deemed abstained from the voting in the motions presented to this session of the Shareholder Meeting.</u> <u>In postponing or extending the Shareholder Meeting under Paragraph 2, the Company shall proceed with Paragraph 7 under Article 44-20 of the “Regulations Governing the Administration of Shareholder Services of Public Companies” thereby proceed to preparatory work on the basis of the original date scheduled for the meeting and others as set forth in the article.</u> <u>For public companies attending shareholders meeting under the rear section of Article 12 and</u>		
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<u>Paragraph 3 under Article 13 of the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”, Paragraph 2 under Article 44-5, Article 44-15, Paragraph 1 under Article 44-17, the Company shall hold the meeting on the date of the postponement or extension under Paragraph 2.</u>		
Article 25 <u>If the Shareholder Meeting of the Company is to be convened via videoconferencing and the shareholders participating in the meeting have problems in accessing to videoconferencing, the Company shall provide a substitute.</u>	Article 25 (Added)	Amendment to the Regulations in line with the permission of public companies to hold Shareholder Meeting via videoconferencing.
Article 26 This <u>Procedure</u> shall come into force <u>after passing</u> by the Shareholder Meeting. The same procedure is applicable to any amendment thereto.	Article 20 This Rules of Procedure shall come into force after passing by the Shareholder Meeting. The same procedure is applicable to any amendment thereto.	Amendment to the content for meeting the actual need of the Company.

Appendix 5 Amendment to Procedures for the Acquisition and Disposal of Assets

After the Amendment	Before the Amendment	Description
Article 3 Scope of assets <u>“Assets” as referred to in this Procedure are:</u> IV. Patents.....	Article 3 Legal reference— IV. Intangible assets; including patents	Amendment to the Procedure of the Company in line with the allowable limit of law.
Article 5 <u>The acquisition of property and its right-of-use assets not for business use</u> and limit of securities The limit of acquiring the aforementioned assets by the Company and individual subsidiaries are specified below: I. The total amount for the acquisition of property and its right-of-use assets not for business purpose shall not exceed 10% of the paid-in capital. II. The total investment in securities shall not exceed 150% of the net worth. 	Article 5 The investment limit for property for business use and securities. The limit of acquiring the aforementioned assets by the Company and individual subsidiaries are specified below: I. The total amount for the acquisition of property and its right-of-use assets not for business purpose shall not exceed 10% of the paid-in capital. II. The total investment in long- and short-term securities shall not exceed 150% of the net worth. 	Amendment to the Procedure of the Company in line with the allowable limit of law.
Article 6 <u>The appraisal reports, or the statement of opinions of CPAs, lawyers, or securities dealers obtained.</u> The professional appraisers and its appraisal staff, CPAs, lawyers, or securities dealers who issued the appraisal reports and statement of	Article 6 The professional appraisers and its appraisal staff, CPAs, lawyers, or securities dealers who issued the appraisal reports and statement of opinions obtained by the Company shall be	The FSC seeks to upgrade the quality of the statement of opinions issued by external experts thereby amended the “Regulations Governing and Acquisition and

opinions obtained by the Company shall be conforming to the following rules: I. No violation of the <u>Securities and Exchange Act before</u> The aforementioned personnel shall <u>comply with the self-regulatory regulations of respective professional associations</u> and the following in issuing the appraisal reports or statement of professional opinions: II. In <u>executing</u> cases, prepare proper plan and appropriate operation process so as to reach conclusion and issue report or statement of opinion. Mark down the procedure for execution, information gathered and conclusion on the worksheet of the cases. III. Assess if the sources of information, parameters, and information itself are <u>proper</u> and intact, accurate and justifiable, which will be served as the foundation for issuing appraisal report or statement of opinions. IV. The content of declaration	conforming to the following rules: I. No violation of this law,..... The aforementioned personnel shall comply with the following in issuing appraisal reports or statement of opinions: II. In examining the cases, prepare proper plan and appropriate operation process so as to reach conclusion and issue report or statement of opinion. Mark down the procedure for execution, information gathered and conclusion on the worksheet of the cases. III. Assess if the sources of information, parameters, and information itself are intact, accurate and justifiable, which will be served as the foundation for issuing appraisal report or statement of opinions. IV. The content of declaration shall cover the professional designation and independence of related personnel, and the information adopted in the assessment should be justifiable and accurate, and in compliance with applicable legal rules.	Disposal of Assets by Public Companies” in part. As such, the provision is amended.
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shall cover the professional designation and independence of related personnel, and the information adopted in the assessment should be <u>appropriate</u> and justifiable and in compliance with applicable legal rules.		
Article 7 Procedure for the Acquisition or Disposal of Property, <u>Equipment, or its right-of-use assets and</u> /or other fixed assets. I. The Company shall comply with its internal control system, <u>[Property, Plant and Equipment Cycle]</u> in the acquisition or disposal of property, equipment or its right-of-use assets and other fixed assets. II. 1.Submit for approval in accordance with the “Gate Approval of the Group on Common Issues - Administrative <u>Management</u> Category” before proceeding. 2. The acquisition or disposal of assets or its right-of-use assets and other fixed assets shall be governed by the “Gate Approval of the Group on	Article 7 The procedure for the acquisition or disposal of property or other fixed assets. I. The Company shall comply with the internal control system, the <u>procedure of [Fixed assets cycle]</u> in the acquisition or disposal of property, equipment, or its right-of-use assets and other fixed assets. II. 1.Approval under the “Gate Approval of the Group on Common Issues - Human Resources Administration <u>of Corporate Management</u>” before proceeding. 2. The acquisition or disposal of equipment or its right-of-use assets and other fixed assets shall be governed by “Gate Approval of the Group on Common Issues - Human	Amendment to the Procedure of the Company in line with the allowable limit of law.

Common Issues - Administrative <u>Management</u> Category”..... III. The executors The acquisition or disposal of property, <u>equipment or its right-of-use assets and</u> other fixed assets shall be governed by the aforementioned gate approval procedure where the user and Administrative Management Department shall be responsible for execution. IV. Appraisal reports of property, <u>equipment and its right-of-use assets and</u> other fixed assets. 1. The reference for transaction price if the transaction should be conducted at limited price, designated price or special price under special circumstances. 3. If any of the following applies to the appraisal result of the professional appraisers, consult with a CPA to present an opinion in concrete term on the difference and if the transaction price is appropriate unless the appraisal result is higher than the transaction amount in acquisition or lower	Resources Administration of Corporate Management” before proceeding..... III. The executors The Company shall go through the aforementioned gate approval in the acquisition or disposal of property or other fixed assets, and executed by the user and Administrative Department. IV. Appraisal reports on property or other fixed assets 1. Reference for the transaction price if the transaction is to be conducted under limited price or designated price under special circumstances. 3. If any of the following applies to the appraisal result of the professional appraisers, consult with a CPA to proceed with the <u>Statement of Auditing Standard No. 20 issued by the Accounting Research and Development Foundation (hereinafter, “ARDF”) and express an opinion in concrete term on the cause of the difference and if the</u> transaction price is appropriate unless the appraisal result is higher than the transaction amount in the acquisition	
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than the transaction amount in disposal: V. The calculation of the transaction amount is governed by subparagraph <u>7</u> of Paragraph 1 under Article 14. One year as referred to shall be the period of 1 year from the day of deed moving backward for 1 year. The transactions which have been supported by the appraisal reports issued by professional appraisers or the statement of opinions from CPAs under this Procedure can be excluded in the calculation.	of assets, or the appraisal result is lower than the transaction price in the disposal of assets: V. The transaction amount shall be calculated in accordance with subparagraph 6 of Paragraph 1 under Article 14. One year as referred to shall be the period of 1 year from the day of deed moving backward for 1 year. The transactions which have been supported by the appraisal reports issued by professional appraisers or the statement of opinions from CPAs under this Procedure can be excluded in the calculation.	
Article 8 Procedure for the Acquisition or Disposal of Securities I. Assessment and Operation Procedure The trading of securities by the Company shall be governed by the internal control system, [Investment Cycle] and [MR-GA017Regulations Governing Direct Investment of the Group]. II. Procedure for the determination of the condition of trade and authorized limit of	Article 8 The Procedure for the acquisition or disposal of securities investment I. Assessment and Operation Procedure The trading of securities by the Company shall be governed by the internal control system, [Investment Cycle] and related operations. II. Procedure for the determination of the condition of trade and authorized limit of transaction 1. Trading of securities at the	Amendment to the Procedure of the Company in line with the allowable limit of law.

transaction 1. Trading of securities at the centralized market or OTC market shall be subject to the judgment of market situation by Financial <u>Management Division</u>, and submitted for approval under the “Gate Approval of the Group on Common Issues - Finance” before proceeding. 2. For the trading of securities outside the centralized market or OTC market, obtain the audited or reviewed financial statement of the target companies as reference for assessing the transaction price. Consider the net value per share, profitability and the prospect of the investment. Approval under the “<u>Gate Approval of the Group on Common Issues - Finance</u>” is required before proceeding. III. The executors The Company shall go through the aforementioned gate approval before proceeding to the acquisition or disposal of assets. Financial <u>Management Division</u> shall be responsible for the	centralized market or OTC market shall be subject to the judgment of market situation by Financial Department, and submitted for approval under the “Gate Approval of the Group on Common Issues - Finance” before proceeding. 2. For the trading of securities outside the centralized market or OTC market, obtain the audited or reviewed financial statement of the target companies as reference for assessing the transaction price. Consider the net value per share, profitability and the prospect of the investment. Approval under the “Gate Approval for Investment” is required before proceeding. III. The executors The Company shall go through the aforementioned gate approval before proceeding to the acquisition or disposal of assets. Finance Department shall be responsible for the execution of the transaction. IV. Obtain the opinions of the experts 1. If any of the following applies to the acquisition or	
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execution of the transaction. IV. Obtain the opinions of the experts 1. In acquiring or disposing securities, the Company <u>shall obtain the audited or reviewed financial statement of the target companies as reference for assessing the transaction price before the day of deed.</u> For transactions accounting for 20% of the paid-in capital of the Company or exceeding NT\$300 million, consult with a CPA for expressing an opinion to determine if the transaction price is reasonable before the day of deed. Unless the securities in point have active market and open quotation, or the Financial Supervisory Commission (FSC) specified otherwise. 2. If the acquisition or disposal of assets by the Company was made through court auction, the certification document issued by the court shall be used in lieu of the appraisal report or statement of opinion from the CPAs.	disposal of securities by the Company, and the amount accounts for 20% of the paid-in capital of the Company or exceeds NT\$300 million, the Company shall obtain the audited or reviewed financial statement of the target companies as reference for assessing the transaction price before the day of deed. For transactions accounting for 20% of the paid-in capital of the Company or exceeding NT\$300 million, consult with a CPA for expressing an opinion to determine if the transaction price is reasonable before the day of deed. If the CPA adopts the report of experts, proceed with the Statement of Auditing Standard No. 20. Unless the securities in point have active market and open quotation, or the Financial Supervisory Commission (FSC) specified otherwise. 1.1. The acquisition or disposal of securities outside the centralized market or OTC market.	
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V. The transaction amount shall be calculated in accordance with subparagraph <u>7</u> of Paragraph 1 under Article 14. One year as referred to shall be the period of 1 year from the day of deed moving backward for 1 year. The transactions which have been supported by the appraisal reports issued by professional appraisers or the statement of opinions from CPAs under this <u>Procedure</u> can be excluded in the calculation.	1.2. Acquisition or disposal of securities through private placement. 2. If the acquisition or disposal of assets by the Company was made through court auction, the certification document issued by the court shall be used in lieu of the appraisal report or statement of opinion from the CPAs. V. The transaction amount shall be calculated in accordance with subparagraph <u>6</u> of Paragraph 1 under Article 14. One year as referred to shall be the period of 1 year from the day of deed moving backward for 1 year. The transactions which have been supported by the appraisal reports issued by professional appraisers or the statement of opinions from CPAs under this Procedure can be excluded in the calculation.	
Article 9 Procedure for acquisition and disposal of property or its right-of-use assets with related-parties I. In the acquisition or disposal of assets <u>with</u> related	Article 9 Procedure for acquisition and disposal of property or its right-of-use assets with related-parties I. In the acquisition or disposal of assets with related parties by the Company	Amendment to the Procedure of the Company in line with the allowable limit of law.

parties, it necessary to obtain the appraisal report issued by a professional appraiser or the statement of opinion for a CPA pursuant to <u>Article 7, Article 8, and Article 10</u> if the transaction amount exceeds 10% of the total assets of the Company further to the requirement under <u>Article 7, Article 8, Article 10 and this Article on specific procedures and to assess if the terms and conditions for transactions are reasonable</u>. The aforementioned transaction amount shall be calculated in accordance with subparagraph <u>7</u> of Paragraph 1 under Article 14. One year as referred to shall be the period of 1 year from the day of deed moving backward for 1 year. The transactions which have been supported by the appraisal reports issued by professional appraisers or the statement of opinions	shall be governed by Article 7,the Procedure for the Acquisition of Property. If the transaction amount exceeds 10% of the total assets of the Company, it is necessary to obtain the appraisal reports issued by professional appraisers or the opinion from CPAs as required,and undergo the following decision-making procedure and assess if the terms and conditions of trade are reasonable. The calculation of the aforementioned transaction amount shall be governed by subparagraph 6 of Paragraph 1 under Article 14. One year as referred to shall be the period of 1 year from the day of deed for this time moving backward for 1 year. The transactions supported by the appraisal reports issued by professional appraisers or opinions of the CPAs can be excluded from the calculation. If the counterparty of trade is a related party under external judgment, consider the de facto	
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from CPAs under this <u>Procedure</u> can be excluded in the calculation. If the counterparty of trade is a related party under external judgment, consider the de facto relation further to the legal formality. II. Assessment and Operation Procedure In the acquisition or disposal of property <u>or its right-of-use assets</u> with a related party or parties other than related parties the transaction amount of which accounts for 20% of the paid-in capital, 10% of the total assets of the Company or exceeds NT\$300, forward the following information to <u>the Auditing Committee for consent and</u> the Board for approval before proceeding to entering into agreements and effecting payment except for the trading of domestic government bonds, R/P and reverse R/P bonds, subscription or redemption of money market funds offered by domestic securities investment trust enterprises: 1. The purpose, necessity, and expected return on the acquisition or disposal of assets. 2. The reason for choosing related parties as the	relation further to the legal formality. II. Assessment and Operation Procedure In acquiring or disposing property, or assets other than property with related parties by the Company and the transaction amount accounts for 20% of the paid-in capital or 10% of the total assets of the Company, or exceeds NT\$300 million, present the following information to the Board for resolution and to the Auditing Committee for recognition before entering into agreement and effecting payment except for the trading of domestic government bonds, R/P and reverse R/P bonds, subscription or redemption of money market funds offered by domestic securities investment trust enterprises: 1. The purpose, necessity, and expected return on the acquisition or disposal of assets. 2. The reason for choosing related parties as the counterparties of trade. 3. In acquiring property and its right-of-use assets from related parties, the information on the assessment to determine if the terms and conditions of trade are reasonable pursuant to subparagraph 1 and 4 of Paragraph 3 under	
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counterparties of trade. 3. For the acquisition or disposal of property and its right-of-use assets from related-parties, information on the assessment of the terms and conditions of the transactions to determine if it is reasonable as set forth in Paragraph 3 of this article. 4. The date and price of the related party in the initial acquisition of the asset, the counterparty of trade, and the relation with the Company and the related-party. 5. The projection of monthly cash receipt from the month in which the agreement was entered to the year ahead, and assess if the transaction is necessary and the use of fund is justifiable. 6. Obtain the appraisal reports issued by professional appraisers or the statement of opinion from a CPA pursuant to <u>Paragraph 1 of this Article.</u> 7. The restriction of the condition in this transaction and other important terms and conditions.	this Article. 4. The date and price of the related party in the initial acquisition of the asset, the counterparty of trade, and the relation with the Company and the related-party. 5. The projection of monthly cash receipt from the month in which the agreement was entered to the year ahead, and assess if the transaction is necessary and the use of fund is justifiable. 6. Obtain the appraisal reports issued by professional appraisers or the opinions of the CPAs as required by the previous paragraph. 7. The restriction of the condition in this transaction and other important terms and conditions. For acquisition or disposal of machinery and equipment, or the right-of-use assets between the Company and its parent, or subsidiaries, or among the direct or indirect wholly-owned subsidiaries by shareholding or capital ownership, the Board may authorize the Chairman to make decision if the transactions fall within a certain limit and present to the Board in the nearest session for	
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<u>The Company has established the Auditing Committee as required by law. The presentation of the aforementioned information shall be subject to the consent of at least 1/2 of the members of the Auditing Committee with approval of the Board, where Paragraph 4 and Paragraph 5 under Article 19 shall govern.</u> <u>If the Company or subsidiaries which are not public companies in Taiwan engaging in the aforementioned transactions, and the transaction amount exceeds 10% of the total assets of the Company, the Company shall present all of the above information to the Shareholder Meeting for approval before proceeding to the signing of the agreement and effective payment. Except the transactions were made between the Company and the subsidiaries or among the subsidiaries.</u> The aforementioned transaction amount shall be calculated in accordance with subparagraph <u>7</u> of Paragraph 1 under Article XIV. One year as referred to shall be the period of 1 year from the day of deed moving backward for 1 year. The transactions which <u>have been presented to the Shareholder Meeting, the Board, and the Auditing Committee for consent under this Procedure</u> can be	recognition pursuant to Article 7, Article 8, and Article 10, on “terms and conditions of trade and procedure for authorization of limit”. The aforementioned amount shall be calculated in accordance with subparagraph 6 of Paragraph 1 under Article 14. One year as referred to shall be the period of 1 year from the day of deed for the transaction moving backward for 1 year. The transactions supported by appraisal reports issued by professional appraisers or opinion of the CPAs could be excluded from the calculation. III. Assessment of the reasonability of the cost of transaction 1. The Company shall assess if the cost of transaction is reasonable in the following ways for acquisition of property or its right-of-use assets from related parties: 1.1. Add necessary cost of capital and the cost to be borne by the buyer to the transaction price of the related party. Necessary cost of capital shall be calculated on the basis of the weighted average interest rate for the loans to the Company in the year of acquiring the assets but cannot be	
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excluded in the calculation. III. Assessment of the reasonability of the cost of transaction 1. The Company shall assess if the cost of transaction is reasonable in the following ways for acquisition of property or its right-of-use assets from related parties: 1.1. Add necessary cost of capital and the cost to be borne by the buyer to the transaction price of the related party. Necessary cost of capital shall be calculated on the basis of the weighted average interest rate for the loans to the Company in the year of acquiring the assets but cannot be higher than the highest level of interest rate for borrowing in the non-financial sector as posted by the Ministry of Finance. 1.2. If the related party has pledged the subject matter to a financial institution for borrowing, and the total draw down from the financial institution on the subject matter has	higher than the highest level of interest rate for borrowing in the non-financial sector as posted by the Ministry of Finance. 1.2. If the related party has pledged the subject matter to a financial institution for borrowing, and the total draw down from the financial institution on the subject matter has accounted for more than 70% of the total appraised value for lending, and the loan has been drawn for more than 1 year. This provision is not applicable if the financial institution and the counterparty are related party to each other. 2. For joint purchase of lease of the land and building of the same subject matter shall be subject to assessment on the cost of transaction separately on the land and the building in any of the aforementioned methods. 3. The Company shall assess the cost of acquisition of property of its right-of-use assets in	
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accounted for more than 70% of the total appraised value for lending, and the loan has been drawn for more than 1 year. This provision is not applicable if the financial institution and the counterparty are related party to each other. 2. For joint purchase of lease of the land and building of the same subject matter shall be subject to assessment on the cost of transaction separately on the land and the building in accordance with <u>subparagraph 1 of Paragraph 3 under this Article.</u> 3. The Company shall assess the cost of acquisition of property of its right-of-use assets in accordance with subparagraph 1 and 2 of Paragraph 3 under this Article when acquiring property or its right-of-use assets from related parties, and consult with a CPA for a second review and express an opinion in	accordance with subparagraph 1 and 2 of Paragraph 3 under this Article when acquiring property or its right-of-use assets from related parties, and consult with a CPA for a second review and express an opinion in concrete term. 5. If the transaction price for the acquisition or property or its right-of-use assets from related parties under subparagraphs 1 and 2 by the Company is lower than the appraisal result in the assessment, proceed with subparagraph 5 of Paragraph 3 under this Article. Unless under the following circumstances and with objective evidence and the opinion for justification from professional appraisers and the CPAs: 5.1. The related party shall provide evidence for satisfying any of the following conditions in the acquisition of foundation land or leased land for construction: a. Foundation land shall be	
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concrete term. 4. <u>If any of the following applies to the acquisition of property or its right-of-use assets from related parties by the Company, proceed with Paragraphs 1 and 2 under this Article where the rules of the previous 3 subparagraphs shall not be applied:</u> 4.1. <u>The related party acquired the property or its right-of-use assets through succession or as a Gift.</u> 4.2. <u>The related party has acquired the property or its right-of-use assets for more than 5 years from the day of this transaction.</u> 4.3. <u>The property is acquired by entering into an agreement with the related party on joint venture of construction, commissioning of construction on proprietary land, commissioning of construction on leased land, or commissioning of the related party for the construction of the</u>	assessed under the aforementioned method. Housing shall be assessed by adding the cost of construction of the related party to reasonable construction profit, and the sum exceeds the actual transaction price. Reasonable construction profit shall be based on the average gross margin of the construction segment of the related party over the last 3 years, or the gross margin for construction industry in the previous period as announced by the Ministry of Finance, whichever is lower. b. Other transaction cases at other stories of the same subject premises or in the immediate area among unrelated parties, with approximate floor area, and the terms and conditions of trade are relevant with the terms and conditions under the assessment on the difference in prices within reasonable range of floor location or area under the common practice in property trade or leasing.	
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<u>property.</u> 4.4. <u>The acquisition of assets in the form of the right-of-use of property for business use between the Company and the subsidiaries, or among the direct or indirect wholly-owned subsidiaries of the Company by shareholding or capital ownership.</u> 5. If the appraisal result under subparagraph 1 and 2 of Paragraph 3 under this Article falls below the transaction price, the Company shall proceed with subparagraph <u>6</u> of Paragraph 3 under this Article. Unless under the following circumstances and with objective evidence and the opinion for justification from professional appraisers and the CPAs: 5.1. The related party shall provide evidence for satisfying any of the following conditions in the acquisition of foundation land or leased land for construction: a. Foundation land shall be	c. For leasing cases of unrelated parties in other floor levels of the same subject building within 1 year, and the terms and conditions of trade are deemed relevant with the estimation under common practice of property leasing of similar floor levels. 5.2. The Company shall provide evidence to prove the terms and conditions of the transaction in the acquisition of property through purchase or right-of-use of property through leasing from related parties are relevant with the transaction cases with approximate floor area among unrelated parties within the last year. The aforementioned transaction cases in the immediate area is based on the premises having the same or similar topographical features and within a perimeter of 500m from the subject premises, or the posted present value is similar. Approximate floor area shall be the transaction	
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assessed under the aforementioned method. Housing shall be assessed by adding the cost of construction of the related party to reasonable construction profit, and the sum exceeds the actual transaction price. Reasonable construction profit shall be based on the average gross margin of the construction segment of the related party over the last 3 years, or the gross margin for construction industry in the previous period as announced by the Ministry of Finance, whichever is lower. b. Other transaction cases at other stories of the same subject premises or in the immediate area among unrelated parties, with approximate floor area, and the terms and conditions of trade are relevant with the terms and conditions under the assessment on the difference in prices within reasonable range of floor location or area	cases of unrelated parties with floor area no less than 50% of the floor area of the subject premises. One year as mentioned shall be period of 1 year from the day of deed of the acquisition or property or its right-of-use assets moving backward for 1 year. 6. If the transaction price of the acquisition of property or its right-of-use assets from related parties by the Company was found lower than the appraisal result pursuant to subparagraph 1 and 2 of Paragraph 3 under this Article in the assessment, proceed with the following: 6.1. The Company shall recognize the difference between the transaction price and the appraised cost of the transactions of property or right-of-use assets as special reserve pursuant to Paragraph 1 under Article 41 of the Securities and Exchange Act, and shall not refer to distribution or capitalization into new	
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under the common practice in property trade or leasing. 5.2. The Company shall provide evidence to prove the terms and conditions of the transaction in the acquisition of property through purchase or right-of-use of property through leasing from related parties are relevant with the transaction cases with approximate floor area among unrelated parties within the last year. The aforementioned transaction cases in the immediate area is based on the premises having the same or similar topographical features and within a perimeter of 500m from the subject premises, or the posted present value is similar. Approximate floor area shall be the <u>transaction</u> cases of unrelated parties with floor area no less than 50% of the floor area of the subject premises. One year shall be period of 1 year from the day of deed of the	shares. If the investor of the Company accounted for under the equity method is a public company, recognize for special reserve in proportion to its shareholding pursuant to Paragraph 1 under Article 41 of the Securities and Exchange Act. 6.2. The Auditing Committee shall proceed with Article 218 of the Company Act, which will be applicable to the members of the committee who are Independent Directors. 6.3. Report the status under 6-1 and 6-2 of subparagraph 5, Paragraph 3 under this Article, and disclose the transaction detail in the annual report and the prospectus. Special reserve so recognized by the Company and by the public companies invested by the Company accounted for under the equity method as required under the preceding paragraph may be used until the recognition of loss from falling price on the property purchased at high price or the lease of asset as high price, or being disposed, or the lease was terminated, or with appropriate	
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acquisition or property or its right-of-use assets moving backward for 1 year. 6. If the transaction price of the acquisition of property or its right-of-use assets from related parties by the Company was found lower than the appraisal result pursuant to subparagraph 1 and 2 of Paragraph 3 under this Article in the assessment, proceed with the following: 6.1. The difference between the transaction price for the acquisition or disposal of property or its right-of-use assets and the appraised cost, proceed with Paragraph 1 under Article 41 of the Securities and Exchange Act thereby recognized as special reserve, and cannot be distributed or for capitalization into new shares. If the investor of the Company accounted for under the equity method is a public company, recognize for special reserve in proportion to its shareholding pursuant to Paragraph 1	compensation or recovery to the original condition, or deemed reasonable with incriminating evidence, and subject to the consent of Executive Yuan Financial Supervisory Commission. 7. If any of the following applies to the acquisition of property or its right-of-use assets from related parties, proceed with Paragraphs 1 and 2 under this Article related to assessment and operation procedure where the requirement for assessing if the cost of transaction is reasonable as stated in (1), (2), and (3) of Paragraph 3 under this Article shall not be applied:— 7.1. The related party acquired the property or its right-of-use assets through succession or as a Gift. 7.2. The related party has acquired the property or its right-of-use assets for more than 5 years from the day of this transaction. 7.3. The property is acquired by entering into an agreement with the related party on joint	
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under Article 41 of the Securities and Exchange Act. 6.2. Members of the Auditing Committee <u>who are Independent Directors</u> shall be governed by Article 218 of the Company Act. 6.3. Report to the Shareholder Meeting of the status under 6-1 and 6-2 of subparagraph 6, Paragraph 3 <u>under this Article</u>, and disclose the content in full detail in the annual report and the prospectus. Special reserve so recognized <u>under subparagraph 6 of Paragraph 3 under this Article</u> may be used until the recognition of loss from falling price on the property purchased at high price or the lease of asset as high price, or being disposed, or the lease was terminated, or with appropriate compensation or recovery to the original condition, or deemed reasonable with incriminating evidence, and subject to the consent of <u>FSC</u>. 8. If the property or its right-of-use assets acquired by the Company from related parties were found in defiance of the arms	venture of construction, commissioning of construction on proprietary land, commissioning of construction on leased land, or commissioning of the related party for the construction of the property. 7.4. The acquisition of property or right-of-use assets for business use between the Company and the parent, or subsidiaries, or among the direct or indirect wholly-owned subsidiaries by shareholding or capital ownership. 8. If the property or its right-of-use assets acquired by the Company from related parties were found in defiance of the arms length principle with incriminating evidence, proceed with subparagraph <u>5</u> of Paragraph 3 under this Article.	
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length principle with incriminating evidence, proceed with subparagraph <u>6</u> of Paragraph 3 under this Article.		
Article 10 I. Assessment and Operation Procedure 1. The Company shall comply with the internal control system, [Property, Plant and Equipment Cycle] in the acquisition or disposal of intangible assets or other right-of-use assets. 2. The Company shall comply with the internal control system, [Investment Cycle] in the acquisition or disposal of membership card. II. Procedure for the determination of the condition of trade and authorized limit of transaction 1. In acquiring or disposing intangible assets or other right-of-use assets, consult the assessment report of the experts or fair market value to determine the terms and conditions of trade and the transaction	Article 10 I. Assessment and Operation Procedure 1. The Company shall comply with the internal control system, [Fixed Assets Cycle], and [Investment Cycle] in the acquisition or disposal of membership cards or intangible assets, or the right-of use assets. II. Procedure for the determination of the condition of trade and authorized limit of transaction 1. In acquiring or disposing intangible assets or other right-of-use assets, consult the assessment report of the experts or fair market value to determine the terms and conditions of trade and the transaction price, and compile into an analysis report for submitting for approval in accordance with the “Gate Approval of the Group on Common Issues - Administrative	Amendment to the Procedure of the Company in line with the allowable limit of law.

price, and compile into an analysis report for submitting for approval in accordance with the “Gate Approval of the Group on Common Issues - Administrative Management” before proceeding. 2. In acquiring or disposing membership cards, consult the fair market value to determine the terms and conditions of trade and the transaction price, and compile into an analysis report for submitting for approval in accordance with the “Gate Approval of the Group on Common Issues -Finance” before proceeding. III. The executors The acquisition or disposal of membership cards, intangible assets, or the right-of-use assets at the Company shall undergo the aforementioned gate approval. The user and Administrative Management Department or Financial Management Division shall be responsible for the execution. IV. Assessment report of the experts on intangible assets or its right-of-use	Management and Human Resources” and “Gate Approval of the Group on Common Issues—Finance” before proceeding. 2. In acquiring or disposing membership cards, consult the fair market value to determine the terms and conditions of trade and the transaction price, and compile into an analysis report for submitting for approval in accordance with the “Gate Approval of the Group on Common Issues—Human Resources—Administration in Corporate Management” and “Gate Approval of the Group on Common Issues -Finance” before proceeding. III. The executors The acquisition or disposal of membership cards, intangible assets, or the right-of-use assets at the Company shall undergo the aforementioned gate approval. The user and Administrative Management Department or Financial Management Division shall be responsible for the execution. IV. Assessment report of the experts on intangible	
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assets, or membership cards. If the acquisition or disposal of intangible assets or its right-of-use assets, or membership cards at the Company accounting for 20% of the paid-in capital of the Company or exceeding NT\$300 million, consult a CPA to express an opinion on the rationality of the transaction price before the day of deed except for transactions with the institutions of the domestic government. V. The transaction amount shall be calculated in accordance with subparagraph 7 of Paragraph 1 under Article XIV. One year as referred to is the period of 1 year from the day of deed moving backward for 1 year. The transactions supported by appraisal reports issued by professional appraisers or the statement of opinions from CPAs under this Procedure could be excluded from the calculation.	assets or its right-of-use assets, or membership cards. If the acquisition or disposal of intangible assets or its right-of-use assets, or membership cards at the Company accounting for 20% of the paid-in capital of the Company or exceeding NT\$300 million, consult a CPA to express an opinion on the rationality of the transaction price before the day of deed except for transactions with the institutions of the domestic government. The CPA shall proceed with the Statement of Auditing Standard No.20 issued by ARDF. V. The transaction amount shall be calculated in accordance with subparagraph 6 of Paragraph 1 under Article 14. One year as referred to shall be the period of 1 year from the day of deed moving backward for 1 year. The transactions supported by the appraisal reports issued by professional appraisers or the statement of opinions from CPAs under this Procedure could be excluded in the calculation.	
Article 12 b. Accounting Personnel	Article 12 b. Accounting Personnel	Amendment to the Procedure of the Company in line

..... b.5. Declaration and Announcement as required by <u>FSC</u> 8. <u>The duties of the confirmation and delivery in derivative trade cannot be performed by the same group of personnel at the same time.</u> 9. <u>The personnel charged with the duties or risk measurement, monitoring and control shall not be working in the same department of the personnel as mentioned in the previous paragraph, and shall report to the Board or a senior officer not engaged in the decision-making of the transactions or position.</u> III. 1. The internal auditors shall seek to understand if the internal control of derivative trade is appropriate at regular intervals, and conduct <u>audit</u> on the trading department on a monthly basis for assuring compliance in	 b.5. Declaration and announcement in conformity to the requirement of the Executive Yuan Financial Supervisory Commission 3.2. The auditing function— Internal auditors shall be responsible for assuring the internal control of derivative trade is proper and the operation procedure of the trading department is in compliance with applicable legal rules, conduct analysis of the transaction cycle, and compile audit reports, and report to the Board on any material defects.— III. 1. The internal auditors shall seek to understand if the internal control of derivative trade is proper at regular intervals, and audit the operation procedure of the Trading Department on derivative trade on a monthly basis for assurance of compliance with applicable legal rules, conduct analysis of the transaction cycle, compile into audit reports. In the event of material breach of applicable rules and	with the allowable limit of law.
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the procedure for derivative trade, and analyze the transaction cycle for compiling into an audit report. In the event of material breach of applicable rules and regulations, notify the Auditing Committee in writing, <u>and report to the Board.</u> IV. 1. The position of derivative trade in holding shall be subject to assessment <u>at least once a week.</u> <u>For hedging under business need,</u> <u>assessment on risk driving from the undertaking position shall be conducted at lease twice a month</u> (e.g.: options, forwards, swaps shall be assessed twice a month). The assessment report shall be <u>submitted to the senior officer under the authorization of the Board.</u> V. 1. A senior officer shall be appointed to monitor and control the risk exposure of derivative trade from time to time. The principle of	regulations, notify the Auditing Committee. 2. The internal auditors shall declare with the FSC on the audit report and the annual audit review by the end of February of the next year, and report to FSC on the status of corrective action taken on defects no later than the end of May of the next year for record. IV. 1. The position of derivation trade in holding shall be subject to routine assessment on the risk exposure of the position (e.g.: options, forwards, and swap should be audited twice a month). The assessment report shall be submitted to the President (Vice-Presidents), Chairman (or a professional assessment team designated by the Chairman or the President). V. 1. The Board shall appointed a senior officer to pay attention to the monitoring and control of the risk exposure in derivative trade from time to time in	
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management is specified below: 1.1. Routine assessment of the risk management policy currently in effect for appropriateness and is conforming to the <u>“Regulations Governing the Acquisition or Disposal of Assets of Public Companies”</u> and <u>this</u> Procedure. 1.2. 2. Routine assessment of the performance of derivative trade for assuring conformity to the corporate strategy in effect and the risk is within the tolerance of the Company. 3. Derivative trade of the Company shall be conducted by related authorized personnel in accordance with <u>this</u> Procedure, and shall be reported to the Board in the nearest session. 4. In engaging in derivative trade, Company shall prepare a record book for tracking the type of derivatives for trading, the amount, the date of resolution by the Board, and the cautious assessment as stated in	accordance with the following principles: 1-1. Conduct routine assessment for assuring the risk management policy in effect is proper and in conformity to the standard and the Procedure for Derivative Trade of the Company. 2. 3. Derivative trade of the Company shall be conducted by related authorized personnel in accordance with the Procedure for Derivative Trade and report to the Board in the nearest session. The Company shall prepare a record book for tracking derivative trade by the type of derivatives, the amount, the date of resolution by the Board, and the particulars required cautious assessment as stated in subparagraph 1 of Paragraph 4 and subparagraphs 1 and 2 of Paragraph 5 under this Article in full detail for record.	
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subparagraph 2 of Paragraph 4, <u>1-1</u> of subparagraph 1 and subparagraph 2 of Paragraph 5 under this Article in full detail for record.		
Article 13 Assessment and Operation Procedure 1. For proceeding to merger, demerger, acquisition or acceptance of shares, the Company <u>shall</u>, prior to the resolution of the Board,..... 2. The Company shall prepare documents covering the content of important agreement on merger, demerger, or acquisition and related matters as open documents for presenting to the Shareholder Meeting prior to convention, and also present the opinions from experts as stated in subparagraph <u>1</u> of Paragraph 1 under this Article and notice of Shareholder Meeting to the shareholders. 1. The date of the Board in session: the Boards and the Shareholder	Article 13 Assessment and Operation Procedure 1. The Company is advised to consult with lawyers, certified public accountants, and securities dealers at the time of proceeding to merger, demerger, acquisition, or acceptance of shares assignment to study on the mandatory procedure and the expected schedule, and organize a project team to proceed in due process of law. and,..... 2. The Company shall prepare documents covering the content of important agreement on merger, demerger, or acquisition and related matters as open documents for presenting to the Shareholder Meeting prior to convention, and also present the opinions from experts as stated in subparagraphs <u>1</u> of Paragraph 1 under this Article and notice of Shareholder Meeting to the shareholders as reference for their consent at the merger,	Amendment to the Procedure of the Company in line with the allowable limit of law.

Meetings of the companies participating in the merger, demerger, or acquisition shall convene on the same day for resolution on the merger, demerger, or acquisition and related matters unless the law provides otherwise, or under special circumstances that the prior consent of FSC on reporting is necessary. The Boards of the companies participating in the acceptance of shares assignment shall convene on the same day unless the law provides otherwise or under special circumstances that the prior consent of FSC on reporting is necessary. 2. 3. The principle for the determination and change in the ratio of share swap or price for acquisition: In participating in merger, demerger, acquisition, or acceptance of shares assignment, <u>the Company shall not change the ratio of</u>	demerger or acquisition..... 1. The date of the Board in session: The Boards and the Shareholder Meetings of the companies participating in the merger, demerger, or acquisition shall convene on the same day for resolution on the merger, demerger, or acquisition and related matters unless the law provides otherwise, or under special circumstances that the prior consent of the Commission on reporting is necessary. The Boards of the companies participating in the acceptance of shares assignment shall convene on the same day unless the law provides otherwise or under special circumstances that the prior consent of the Commission on reporting is necessary. 2. 3. The principle for the determination and change in the ratio of share swap or price for acquisition: Companies participating in merger, demerger, acquisition, or acceptance of shares assignment consult lawyers, certified public accountants, or securities dealers to present opinions on reasonability of the ratio of share swap, acquisition price,	
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<u>share swap or acquisition price at will unless under the following circumstances, and shall specify the circumstances that allow for changes in the agreement on merger, demerger, acquisition or shares assignment:</u> 3-1. 4. Content to be inscribed in the agreement: in participating in merger, demerger, acquisition, or shares assignment, <u>the Company shall explicitly state the rights and obligations of the companies participating in the merger, demerger, acquisition or shares assignment</u> and the followings in the agreement unless otherwise specified in Article 317 of the Company Act and Article 22 of the Corporate Merger and Acquisition Act: 4-1. Breach of contract. 5. 6. If some of the participants in the merger, demerger,	or the cash or other assets distributed to the shareholders before the Board of both sides convene, and report to the Shareholder Meeting. —In principle, the ratio of share swap or acquisition price cannot be changed at will unless the conditions of change have been inscribed in the agreement and disclosed. Conditions for the changes in the ratio of share swap or acquisition price:— 3.1..... Content to the inscribed in the agreement: in participating in merger, demerger, acquisition or acceptance of shares assignment, Company shall enter into agreement in accordance with Article 317 of the Company act and Article 22 of the Corporate Merger and Acquisition Act, and explicitly state the following: 4-2. Breach of contract If some of the participants in the merger, demerger, acquisition, or acceptance of shares assignment which are not public companies, the Company shall enter into agreement with these companies and proceed with subparagraphs 1 of Paragraph 2 in setting the date of the Board for convention, and subparagraphs 2 of Paragraph 2 on confidentiality	
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acquisition, or acceptance of shares assignment which are not public companies, the Company shall enter into agreement with these companies and proceed with subparagraphs <u>1, 2 and 5</u> of Paragraph 2 under this Article.	before disclosure, and subparagraphs 5 of Paragraph 2 the changes in the number of companies participating in the merger, demerger, acquisition or acceptance of shares assignment.	
Article 14 Information Disclosure I. <u>If any of the following applies to the acquisition or disposal of assets by the Company, the Company shall declare with the FSC at designated website by the nature of the transactions and in the required format within 2 days from the day of deed:</u> 4. Acquisition or disposal of equipment or its right-of-use assets for business use and the counterparty is not a related party and the transaction amount <u>exceeds NT\$500 million.</u> 1. 2. 6. Further to the asset trade, disposal of the right of debt by financial institutions, or engagement in investment in Mainland	Article 14 Information disclosure I. Items for declaration and standard of declaration— 4. 5. 3. Proceeding to merger, demerger, acquisition or acceptance of shares assignment. 6. The loss from derivative trade hits the upper limit in whole or the loss of particular contract hits the upper limit as specified in the Procedure. 7. 4. The assets for acquisitions or disposal are business equipment of its right-of-use assets, and the counterparty is an unrelated party with transaction amount meeting any of the following requirement: 8. 4.1. Public company with paid-in capital falling below NT\$1,000 million, and the transaction amount exceeds NT\$500 million.—	Amendment to the Procedure of the Company in line with the allowable limit of law.

China as stated in the preceding <u>5</u> subparagraphs, and the transaction amount accounts for 20% of the paid-in capital of the Company or exceeds NT\$300 million. Except under the following circumstances: 6-1. Trading of domestic government bonds <u>or foreign government bonds with credit rating not falling below the level of sovereignty rating of Taiwan</u> ° 6-2. Investment is the principal business engagement, and engagement in the trading of securities in securities exchanges or OTC market at home and overseas, subscription of <u>foreign government bonds</u>, offering of regular	9. 4.2. Public company with paid-in capital falling below NT\$10,000 million, and the transaction amount exceeds NT\$1,000 million. 6. Further to the asset trade, disposal of the right of debt by financial institutions, or engagement in investment in Mainland China as stated in 6, and the transaction amount accounts for 20% of the paid-in capital or exceeds NT\$300 million except under the following circumstances: 7-1. II. Timing for announcement and declaration If the acquisition or disposal of assets meet the standard required for announcement and the transaction amount is at the level required for declaration as stated in this Article, proceed to declaration within 2 days after the day of deed. III. The procedure for announcement and declaration 1. The Company shall declare related information at the designated website of the Securities and Futures Commission. IV. The Company shall declare with the FSC on the status of its derivative trade and the derivative trade conducted by	
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corporate bonds and bank debentures with no equity feature (excluding subordinated band debentures) in the domestic primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or the subscription or redemption of indexed securities</u>, or, as securities dealers of recommendation at the Emerging Stock Market for underwriting need, for subscription of the securities required by TPEX. 6-3. <u>Trading of R/P, reverse R/P bonds, subscription or redemption of money market funds offered by</u>	its foreign subsidiaries to the last day of the previous month on a monthly basis in the required format at designated website of the Commission by the 10th day of the month. VII. If any of the following applies after the Company has declared its status of derivative trade as aforementioned, declare at designated website of the Commission with related information within 2 days after the day of deed: 1. Any change, termination or rescission of the agreements previously entered into. 2. The merger, demerger, acquisition or acceptance of shares assignment was not completed as scheduled in the agreement.	
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<u>domestic securities investment trust enterprises.</u> 3. 7..... II. The Company shall declare with the <u>FSC</u> on the status of its derivative trade and the derivative trade conducted by its foreign subsidiaries to the last day of the previous month on a monthly basis in the required format at designated website by the 10th day of the month. III. IV. V. If any of the following applies after the Company has declared its status of derivative trade as aforementioned, declare with the <u>FSC</u> at designated website with related information within 2 days after the day of deed: 1. Any change, termination or rescission of the related agreements previously entered into. 2. The merger, demerger, acquisition or acceptance of shares assignment was not completed as scheduled in the agreement. 3. <u>Change in the content of the previous announcement.</u>		
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Article 15 <u>Procedure for Acquisition or Disposal of Assets by Subsidiaries</u> I. Subsidiaries shall institute their respective “Procedure for the Acquisition or Disposal of Assets” in accordance with the “Regulations Governing the Acquisition or Disposal of Assets of Public Companies”, and report to the Shareholder Meeting for final approval after passing by the boards of respective subsidiaries. The same procedure is applicable to any amendment thereto. II. <u>Further to the aforementioned subsidiaries which have instituted their respective “Procedure for the Acquisition and Disposal of Assets”, all other subsidiaries</u> shall comply with <u>this Procedure</u> in the acquisition or disposal of assets. III. For subsidiaries which are not public companies and the acquisition or disposal of assets of which meet the standard of “Regulations Governing the Acquisition or Disposal of Assets of Public Companies” for declaration, the parent company <u>shall</u> act on behalf of the subsidiaries for declaration. IV. As stated in the standard for declaration of the subsidiaries, “the requirement of paid-in	Article 15 The information disclosure procedure for the subsidiaries of the Company is specified as follows I. Subsidiaries shall also institute their respective “Procedure for the Acquisition or Disposal of Assets” in accordance with the “Regulations Governing the Acquisition or Disposal of Assets of Public Companies”, and report to the Shareholder Meeting of both sides for final approval after passing by the boards of respective subsidiaries. The same procedure is applicable to any amendment thereto. II. The acquisition or disposal of assets shall be also be governed by the rules and regulations of the Company. III. For subsidiaries which are not public companies and the acquisition or disposal of assets of which meet the standard of “Regulations Governing the Acquisition or Disposal of Assets of Public Companies” for declaration, the parent company shall also act on behalf of the subsidiaries for declaration. IV. As stated in the standard for declaration of the subsidiaries, “the requirement	Amendment to the Procedure of the Company in line with the allowable limit of law.
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capital or total assets” is based on the paid-in capital or total assets of the parent company or the Company. V. <u>In the acquisition or disposal of assets by the subsidiaries in accordance with this Procedure or other applicable legal rules, and have been passed by the Board, but accompanied with adverse opinion from the Directors on record or in written declaration, the subsidiaries shall refer the information on the adverse opinions to the Supervisors.</u>	of paid-in capital or total assets” is based on the paid-in capital or total assets of the parent company or the Company.	
Article 19 I. The Company <u>shall institute this Procedure in accordance with the “Regulations Governing the Acquisition or Disposal of Assets”</u> and submit to the Board and the Shareholder Meeting for approval. The same procedure is applicable to any amendment thereto. If there is adverse opinion from the Directors on record or in written declaration, <u>the Company shall keep the adverse opinion on record for keeping.</u> II. The Company has established the Auditing Committee	Article 19 I. The Procedure for the Acquisition or Disposal of Assets of the Company shall be forwarded to the Auditing Committee after passing by the Board, and reported to the Shareholders for recognition. The same procedure is applicable to any amendment thereto. If there is any adverse opinion from the Directors on record or in written declaration, the Company shall forward the information on adverse opinion to the Auditing Committee. II. The Company has established the seats for	Amendment to the Procedure of the Company in line with the allowable limit of law.

in accordance with the Securities and Exchange Act and instituted or amended <u>this</u> Procedure, which shall be subject to the consent of at least 1/2 of the members of the Auditing Committee, and present to the Board for resolution. III. If the aforementioned motion lacks the consent of more than 1/2 of all the members of the Auditing Committee, it could be passed at the consent of at least 2/3 of all the Directors. The information on the decision of the Auditing Committee shall be noted down as minutes of Board meeting on record. IV. The aforementioned all members of the Auditing Committee and of the Board as stated in Paragraphs <u>2</u> shall be those who are in office.	Independent Directors. In presenting the Procedure for the Acquisition or Disposal of Assets to the Board for discussion, consider the opinions of each Independent Director to its entirety. Any adverse opinion or qualified opinion from the Independent Directors shall be noted down as minute of Board meeting on record. III. If The Company has established the Auditing Committee in accordance with the Securities and Exchange Act, the Procedure for the Acquisition or Disposal of Assets shall be subject to the approval of at least 1/2 of all members of Auditing Committee, and report to the Board for resolution. IV. If the aforementioned motion lacks the <u>consent</u> of more than 1/2 of all the members of the Auditing Committee, it could be passed by the Board at the consent of at least 2/3 of all Directors. The information on the decision of the Auditing Committee shall be noted	
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	down as minutes of Board meeting on record. V. The aforementioned all members of the Auditing Committee and of the Board as stated in Paragraphs 3 shall be those who are in office.	
Article 20 <u>Motions of the Acquisition or Disposal of Assets</u> resolved by the Board I. If the acquisition or disposal of assets by the Company shall be reported to the Board for resolution <u>under this Procedure or other applicable legal rules</u>, and there is adverse opinion from specific Director on record or in written notice, the Company <u>shall note down the information on the adverse opinion as minute of meeting on record for keeping.</u> II. The Company has established the Auditing Committee in accordance with the Securities and Exchange Act. Any transaction of major assets or derivative trade shall be subject to the consent of at least 1/2 of all the members of the Auditing Committee and the resolution of the Board where Paragraphs <u>3</u> and <u>4</u> under Article 19 shall govern.	Article 20 Board of Directors I. If the Procedure for the Acquisition or Disposal of Assets shall be subject to the resolution of the Board, and there is adverse opinion from specific Director on record or in written notice, the Company shall refer the information on the adverse opinion to the Auditing Committee. II. If the Company has established the seats for Independent Directors, and when the aforementioned motion of the Procedure for the Acquisition or Disposal of Assets has been referred to the Board for discussion, the opinion of each Independent Director should be fully considered. Any adverse opinion or qualified opinion from the Independent Directors shall be noted down as minute of Board meeting on record. III. If the Company has established the Auditing Committee in accordance with the Securities and Exchange Act. Any	Amendment to the Procedure of the Company in line with the allowable limit of law.

	transaction of major assets or derivative trade shall be subject to the consent of at least 1/2 of all the members of the Auditing Committee and the resolution of the Board, where Paragraphs 4 and 5 under Article 19 shall govern.	
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Appendix 6 Amendment to Articles of Incorporation

After the Amendment	Before the Amendment	Description
Article 14 Shareholders' meeting shall be of the following two kinds: regular meeting of shareholders and special meeting of shareholders. The Regular meeting of shareholders is held <u>at least</u> once every year,..... <u>Shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. Also shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.</u>	Article 14 Shareholders' meeting shall be of the following two kinds: regular meeting of shareholders and special meeting of shareholders. The Regular meeting of shareholders is held once every year, and shall be convened within six months after close of each fiscal year. The special meeting of shareholders is held when necessary according to law.	Amendment to the Regulations in line with the permission of convention of Shareholder Meeting through videoconferencing.
Article 21 The Board of Directors of the Company may have nine to <u>twelve</u> directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity and in accordance with nominating candidates system and using cumulative voting by following the article 198 of the ROC Company Law.....	Article 21 The Board of Directors of the Company may have nine to <u>eleven</u> directors, who shall be elected by the shareholders' meeting from among the persons with disposing capacity and in accordance with nominating candidates system and using cumulative voting by following the article 198 of the ROC Company Law.....	Company necessary.

Appendix 7 Shareholding of Directors and Independent Directors

SINBON Electronics Co., Ltd.

Book closure date: April 1, 2022

Position	Name	Date elected	Shareholding while elected			Current shareholding			Remarks
			Type	Shares	Shareholding ratio (%)	Type	Shares	Shareholding ratio (%)	
Chairman	Wang, Shaw-Shing	July. 9, 2021	C	7,508,062	3.22%	C	7,508,062	3.19%	
Director	Yeh, Hsin-Chih	July. 9, 2021	C	1,707,373	0.73%	C	1,707,373	0.73%	
Director	Agrocy Research Inc. Rep: Wang, Zhao-Liang	July. 9, 2021	C	3,806,421	1.63%	C	3,806,421	1.62%	
Director	Liang, Wei-Ming	July. 9, 2021	C	746,107	0.32%	C	746,107	0.32%	
Director	Tai-Yi Investment Co., Ltd. Rep: Wang, Wei-Chung	July. 9, 2021	C	4,130,572	1.77%	C	4,190,000	1.78%	
Director	Kuo-Shian Investment Co., Ltd. Rep: Wang, Kuo-Hong	July. 9, 2021	C	2,415,539	1.04%	C	2,415,539	1.03%	
Director	Chiu ,Te-Cheng	July. 9, 2021	C	100,000	0.04%	C	100,000	0.04%	
Director	Huang,Wen-Sen	July. 9, 2021	C	230,602	0.10%	C	235,602	0.10%	
Independent Director	Chen,Ho-Min	July. 9, 2021	C	0	0.00%	C	0	0.00%	
Independent Director	Chang, Zheng-Yan	July. 9, 2021	C	0	0.00%	C	0	0.00%	
Independent Director	Lin, Yu-Fen	July. 9, 2021	C	0	0.00%	C	0	0.00%	

Note 1: Total Issued shares: 232,0669,364 shares on Apr. 14, 2020 (book closure date)

Total Issued shares: 232,937,072 shares on Apr. 13, 2021 (book closure date)

Note 2: Total Issued shares: 235,203,440 shares on Apr. 01, 2022(book closure date)

Note 3: The minimum required combined shareholding of all directors by law:12,000,000 shares

The combined shareholding of all directors on the book closure date: 20,709,104 shares

Note 4: The shares held by independent directors shall not be counted in the calculation of director shareholdings.