Stock Code: 3622

Young Fast Optoelectronics Co., Ltd.

2022 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

Stock Code：3622

Type of the shareholders' meeting: Physical meeting
Time and Date: 9:00 a.m, Wednesday, June 29, 2022
Place: No. 32, Jingjian 5th Rd., Guanyin Dist., Taoyuan City

Notice to Readers: *For the convenience of readers, the Meeting Handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.*

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Young Fast Optoelectronics Co., Ltd.
2022 Annual Shareholders' Meeting
Meeting Agenda

Meeting time: June 29, 2022 at 9:00a.m.

Place: No. 32, Jingjian 5th Rd., Guanyin Dist., Taoyuan City

Chairman: Chih Chiang Pai, Chairman of the Board of Directors

1. Chairman's Address
2. Matters to Report:
   (1) Report the business of 2021.
   (2) Report the Audit Committee's review report of 2021.
   (3) Report the employees' profit share and directors'compensation of 2021
   (4) Report the amendment to the Company's "Corporate Social Responsibility Principles"
3. Matters for Acknowledgement
   (1) Acknowledgement of business report and financial statements of 2021
   (2) Acknowledgement of earnings distribution of 2021
4. Matters for Discussion
   (1) Discussion on the amendments to the Company's "Procedures for the Acquisition or Disposal of Assets"
   (2) Discussion on the amendments to the Company's "Article of Incorporation"
   (3) Discussion on the amendments to the Company's "Rules of Procedure for Shareholders' Meeting"
   (4) Discussion on the capital surplus cash distribution proposal.
5. Extempore Motions
6. Meeting Adjournment

Matters to Report

1. Subject: To report the business of 2021

   Description: Please refer to attachment 1 (page7-8) for Business report of 2021.

2. Subject: To report the Audit Committee's review report of 2021

   Description: Please refer to attachment 2 (page9) for 2021 Audit Committee's review report.

3. Subject: To report the employees' profit share and directors'compensation of 2021

   Description: The Company's 2021 net income before tax and remuneration of employees and directors) after audited by independent auditors were NT$308,198,498. According to Article 24 of the Articles of Incorporation, NT$6,352,956 (2.06%) were allocated as employee remuneration, NT$4,622,977 (1.5%) as director remuneration, all paid in cash. In addition, the remuneration received by the directors is handled in accordance with the Company's regulation of the remuneration management of the directors, functional Committee members and managers, please refer to attachment 3 (page10-11).

4. Subject: To report the amendment to the Company's "Corporate Social Responsibility Principles"

   Description: Please refer to attachment 4 (pages 12-17) for the comparison of the previous and the amended provisions.

Matters for Acknowledgement:

1. Subject: Acknowledgement of business report and financial statements of 2021 (by the Board of Directors)

Description: 1. The Company's 2021 business report, stand-alone financial statements and consolidated financial statements were approved by a resolution of the Board of Directors. The CPA firm of KPMG has audited the stand-alone financial statements and the consolidated financial statements and has given an unqualified opinion thereon.

2. The above-mentioned business report and financial statements have been sent to the Audit Committee, which issued a review report.

3. Please refer to attachment 1 (page7-8) and attachment 5 (page 18-33) for the Company's 2021 business report and financial statements, and please accept the proposal for ratification.

Resolution:

2. Subject: Proposal for the ratification of the 2021 earnings distribution proposal (by the Board of Directors)

Description: 1. The Company's 2021 earnings distribution proposal was approved by a resolution of the Board of Directors and reviewed by the Audit Committee, which issued a review report.

2. The Company’s 2021 net profits after tax were NT$279,431,273, and the cumulative distributable earnings were NT$505,051,732, which are intended to be retained without distribution. Please refer to attachment 6 (page 34) of this handbook for the earnings distribution statement. Please accept the proposal for ratification.

Resolution:

Matters for Discussion

1. Subject: Amendment to the Company's "Procedures for the Acquisition or Disposal of Assets"

   (by Board of Directors)

   Description: In response to amendmants to laws and regulations as well as business needs of the Compnay, it is porposed to amend the Company's "Procedures for the Acquisition or Disposal of Assets". Please refer to attachment 7 (pages 35-39) for the comparison Table of Amendments to "Procedures for the Acquisition or Disposal of Assets".

   Resolution:

2. Subject: Amendment to the Company's "Article of Incorporation"

   (by Board of Directors)

   Description: In accordance with the revisions of laws and regulations , some provisions of the " Article of Incorporation " have been amended. Please refer to attachment 8 (pages 40-41) for the comparison of the previous and the amended provisions.

   Resolution:

3. Subject: Amendment to the Company's "Rules of Procedure for Shareholders Meeting"

   (by Board of Directors)

   Description: In accordance with the revisions of laws and regulations , some provisions of the " Rules of Procedure for Shareholders Meeting " have been amended. Please refer to attachment 9 (pages 42-54) for the comparison of the previous and the amended provisions.

   Resolution:

4. Subject: Cash distribution from capital surplus. Please proceed to discuss.

   (by Board of Directors)

   Description: 1. The Company intends to allocate NTD 75,663,800 from the capital surplus of NTD 2,010,421,956 in excess of par value to distribute cash of NTD 0.5 per share in accordance with the shares held by the Company as recorded in the shareholders roster on the record date for the issuance of shares.

   2. After approval at the shareholders' meeting, the chairperson of the board of directors shall, upon the authorization of the board of directors,

set another payment base date and payment date. Cash distribution is calculated up to NTD. Fractions of NTD are rounded down to zero. The difference is recorded by the Company as "other income".

3. If any amendment or change is required by law or approved by the competent authorities or by facts, it is intended to be submitted to the shareholders' meeting to authorize the chairperson of the board of directors to handle the matter.

Resolution:

Extempore Motions

Meeting Adjournment

Attachment 1

Young Fast Optoelectronics Co., Ltd.
The Company's 2021 business report

1. Business Strategy and It's Implementation Status

   Over the past few years, the Company's Optoelectronics Business Group has been actively engaged in the research and development of functional touch panel sensors, and the surface printing, profiling, and processing (stain-resistance; anti-glare; anti-reflection; anti-bacteria) for our self-developed glass cover. Meanwhile, we have also expanded our business of edge lamination and full lamination of touch modules and different displays, developed the production capacity for Touch Monitor and FATP and, to protect our R&D achievements, actively filed for patent protection at home and abroad. In 2021, we have branched out into the markets for industrial control, sports equipment, in-vehicle applications, and consumer goods. Our glass process production line has begun mass production of glass sensors. We have also developed surface-coated glass covers. In doing so, we have deeply engaged in the sales market and maintained our market share. In the face of volatilities due to the pandemic, supply chain management was one of our major tasks for 2021. In addition, our Electromechanical Business Group, given its major customer being the Taiwan Power Company, greatly valued product quality, safety, and ability to adapt; as so, it had established a high market entry barrier with its technologies and specifications certification, and therefore derived a stable gross profit. Due to the continuous gains derived by our large- and medium-size touch panels from non-consumer markets such as industrial control, in-vehicle applications, and sports equipment, and also due to stable gains from the domestic market, our electromechanical products derived handsome profits. Meanwhile, we also focused on asset revitalization to diversify our income sources, and in doing so coped with the volatile international market, thereby lowering risk and boosting steady income.

2. Implementation results of business plan

   Although the world was troubled by the pandemic, the Company worked hard to limit the pandemic impact. The revenue from our optoelectronics terminal products in 2021 increased by 135% from last year, thanks to that our long-time endeavor in the non-consumer markets started yielding profits, and that a sound management of parts and components facilitated production and sales. In addition, our electromechanical products were all for domestic use, deriving a revenue that was 2.6% higher than the 2020 level. Coupled with steady non-operating income (i.e., investment income), our overall revenue and profits grew from last year. In 2021, the annual consolidated operating revenue stood at NTD 1,449,291 thousand, up 56.43% from last year; net income after taxes attributable to the Company at NTD 279,430 thousand, up NTD 188,309 thousand, or 48.39%, from last year; and earnings per share at NTD 1.85.

3. Budget implementation status

   The 2021 financial forecast was not made public, so there is no question of whether the budget was achieved or not.

4. Financial income and expenses; profitability analysis

   (1) Analysis of receipts and expenditures

   The Company has a sound capital structure. Our ratio of long-term capital to fixed assets was 637.28%. The debt ratio increased from 10.21% in 2020 to 12.82% in 2021, mainly due to that we increased the long-term borrowings denominated in USD to increase the percentage of natural exchange rate hedging, and that lease liability, though originally had decreased in tandem with the decreasing lease term, increased due to lease contract renewal at the contract expiration date in 2021. Liquidity ratio and quick ratio in 2021 reached 7 times above, to 795.84% and 730.78%, respectively, attesting to the Company's good solvency.

(2) Analysis of Profitability

The Company's annual consolidated operating revenue and annual consolidated gross profit in 2021 were NTD 1,449,291 thousand and NTD281,567 thousand, respectively, an increase of 56.43% and 52.42%, respectively, from 2020. This was mainly due to that our efforts invested in the non-consumer large- and medium-size touch panel market began yielding fruits. Coupled with business scale-up and continuous cost streamlining, the operating profit and loss turned from red to black, to NTD54,091 thousand. In terms of non-operating income, the Company skillfully used the assets to earn rental income and dividend income. In 2021, the net income after taxes stood at NTD296,465 thousand, net income after taxes that is attributable to the Company at NTD 279,430 thousand, and earnings per share at NTD 1.85.

Analysis		2021	2020
Capital Structure analysis	Debt Ratio	12.82%	10.21%
	Long term funds to fix asset	637.28%	555.10%
Liquidity analysis	Current ratio	795.84%	835.29%
	Quick ratio	730.78%	784.93%
Profitability analysis	Return on total assets (%)	5.30%	3.94%
	Return on equity (%)	5.61%	4.00%
	Operation incometo capital	3.57%	-0.68%
	Net income before tax to capital	17.48%	13.99%
	Profit ratio	20.46%	21.75%
	Earnings per share (NT$)	1.85	1.24

5. R&D

A touch panel mainly serves the role that makes a human-machine interface more convenient. It is developed to suit different applications at different premises and under different environments, and towards a trend that features more a compact body and an even thinner bezel. The films on the surface of our touch control modules are self-developed. In terms of membranes and glass sensors, we adopt metallized films and lithography to effectively produce ultra-thin touch products. In terms of ultra-thin bezel, we use advanced laser processes such as precision exposure and CCD alignment to bring the line width and space width down to 15μm/10μm, so as to provide customers with a high-end product that features both a thinner bezel and a higher sensitivity. Our UV-resistant membranes and glass sensor process production lines can meet the requirements for in-vehicle applications, and for products to be used by our end customers under a lengthy exposure to sunshine. We also develop stain-resistant/anti-glare/anti-reflection/anti-bacteria coating technologies. In addition, we newly perform full lamination of cover glass and touch module for our LCM for use of industrial control, and advance the technology for lamination of electronics paper modules, to satisfy the diverse applications at the customer end.

Attachment 2

Young Fast Optoelectronics Co., Ltd.

Audit Committee’s Review Report

The Board of Directors prepared the Company’s 2021 business report, financial statements (stand-alone and consolidated) and earnings distribution proposal. CPA Chunxiu Guan and Boshu Huang from KPMG have audited the financial statements (stand-alone and consolidated) and have issued an audit report. The above-mentioned business report, financial statements (stand-alone and consolidated) and earnings distribution proposal have been reviewed by the Audit Committee and no discrepancies have been found and a report was prepared for your review according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

2021 Annual Shareholders’ Meeting of Young Fast Optoelectronics Co., Ltd.

Young Fast Optoelectronics Co., Ltd.

Chairman of the Audit Committee:

May 11, 2022

Attachment 3

The explanation for the remuneration received by the directors in 2021 is as follows:

I. Be handled in accordance with: The Company’s “Articles of Incorporation” and “The Regulation of the Remuneration Management of the Directors, Functional Committee Members and Managers.”

II. The Company's standard of paying the director's remuneration is based on the responsibilities, risks, the time that invested in, and other factors, with a comprehensive consideration, the relationship with the payment of the remuneration would be described clearly:

(I) According to Article 24 of the Company's Articles of Incorporation, the director's remuneration shall not be more than 1.5% of the annual profit. Also, it shall be based on the self-evaluation performance of each director, the frequency of participating in the board of directors, the hours of receiving the training, etc., and the contribution to the Company's performance. It shall also be referred to the Company’s entire operation performance, operation risks of the industry, and the development trends in the future, etc., and a reasonable remuneration will be paid.

(II) The regulation of the remuneration management of the directors, functional Committee members and managers also states the principles for paying the directors' remuneration as follows:

1. The remuneration for the audit committee member (independent director): NT$ 40,000 dollars per month.
2. The remuneration for the non-independent directors who participate in the daily operation of the Company: According to Article 21 of the Articles of Incorporation, the board of directors is authorized to receive the remuneration according to the directors’ management responsibilities, the level to participate in the operation and the value of the contributions, and the usual level of the other companies in the industry.
3. The managers of non-independent directors who participate in the daily operation of the Company: salary, position bonus, allowance, various bonuses and welfare, pension, severance pay and other salaries, are handled in accordance with the Company's salary management measures.
4. Business conduction related expense: transportation fee is NT$ 10,000 dollars for the independent directors to attend each meeting.

III. Details of the remuneration

The estimated distribution details of the director's remuneration (including remuneration received by part-time employees) in 2021

Title	Name	Remuneration for directors								A, B, C and D as a % of the net profits after tax		Remuneration for employees with concurrent positions in the Company and other companies								A, B, C, D, E, F and G as a % of the net profits after tax		Remuneration from reinvested enterprises outside subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Remuneration for directors (C)		Business execution expenses (D)				Remuneration, bonus, allowance (E)		Severance and pension (F)		Remuneration for employees (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Cash amoun	Stock amount	Cash amoun	Stock amount			
Chairperson	Chihchiang Pai	4,667	4,667			623	623			1.89%	1.89%	0	0							1.89%	1.89%	
Director	Soy Young Enterprise Co., Ltd.	0	0			500	500			0.18%	0.18%	NA	NA							0.18%	0.18%	
	Representative: Shujuan Xu											0	0									
Director	Hold-Key Electric Wire & Cable Co., Ltd.	0	0	0	0	500	500	0	0	0.18%	0.18%	NA	NA	0	0	0	0	0	0	0.18%	0.18%	0
	Representative: Xinzheng Li											4,118	4,118							1.47%	1.47%	
Director	Yichuan Hsu	0	0			500	500			0.18%	0.18%	4,288	4,288							1.71%	1.71%	
Director	Fengyu Ho	0	0			500	500			0.18%	0.18%	3,178	3,178							1.32%	1.32%	
Director	Menggui Lin	0	0			500	500			0.18%	0.18%	4,298	4,298							1.72%	1.72%	
Independent director	Chengkun Kuo	480	480	0	0	500	500	60	60	0.37%	0.37%									0.37%	0.37%	
Independent director	Wenxiu Zhang	480	480	0	0	500	500	60	60	0.37%	0.37%	0	0	0	0	0	0	0	0	0.37%	0.37%	
Independent director	Xiege Hao	480	480	0	0	500	500	60	60	0.37%	0.37%									0.37%	0.37%	

Note: It is approved by the board of directors on May 11th, 2022 to distribute NT$4,623,000 thousand dollars for the directors' remuneration, and NT$6,353,000 thousand dollars for the employees' remuneration is estimated based on the proportion of the actual distribution amount for 2020 in 2021.

Attachment 4

Young Fast Optoelectronics Co., Ltd.
Comparison of the previous and the amended Corporate Social Responsibility Principles

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
Corporate Social Responsibility Principles	Sustainable Development Principles	Make text revision in accordance with laws and regulations.
Article 2: In fulfilling corporate social responsibility initiatives, The corporation shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The Principles applies to the corporation, including the entire operations of each such company and its business group.	Article 2: In fulfilling sustainable development initiatives, The corporation shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance. The Principles applies to the corporation, including the entire operations of each such company and its business group.	Make text revision in accordance with laws and regulations.
Article 3: To implement corporate social responsibility initiatives, The corporation are advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate social responsibility information.	Article 3: To implement sustainable development initiatives, The corporation are advised to follow the principles below: 1. Exercise corporate governance. 2. Foster a sustainable environment. 3. Preserve public welfare. 4. Enhance disclosure of corporate social responsibility information.	Make text revision in accordance with laws and regulations.
Article 4: The corporation shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual	Article 4: The corporation shall take into consideration the correlation between the development of domestic and international sustainable development principles and corporate core business operations, and the effect of the operation of individual	Make text revision in accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.	companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting. When a shareholder proposes a motion involving sustainable development, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.	
Article 6: The directors of the corporation shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies. The board of directors of the corporation is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its corporate social responsibility initiatives: 1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines; 2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and 3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information. The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business	Article 6: The directors of the corporation shall exercise the due care of good administrators to urge the company to perform its sustainable development initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its sustainable development policies. The board of directors of the corporation is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its sustainable development initiatives: 1. Identifying the company's sustainable development mission or vision, and declaring its sustainable development policy, systems or relevant management guidelines; 2. Making sustainable development the guiding principle of the company's operations and development, and ratifying concrete promotional plans for sustainable development initiatives; and 3. Enhancing the timeliness and accuracy of the disclosure of sustainable development information. The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business	Make text revision in accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
operations of the corporation, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear. Following is omitted.	operations of the corporation, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear. Following is omitted.	
Article 7: The corporation is advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.	Article 7: The corporation is advised to, on a regular basis, organize education and training on the implementation of sustainable development initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.	Make text revision in accordance with laws and regulations.
Article 8: For the purpose of managing corporate social responsibility initiatives, The corporation is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. The second item is omitted. It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.	Article 8: For the purpose of management of sustainable development, The corporation should establish a governance structure to promote sustainable development and establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing sustainable development and implementation of sustainable development policies, systems or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis. The second item is omitted. It is advised that the employee performance evaluation system be combined with sustainable development policies, and that a clear and effective incentive and discipline system be established.	Make text revision in accordance with laws and regulations.
Article 9: The corporation shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.	Article 9: The corporation shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important sustainable development issues which they	Make text revision in accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
	are concerned about.	
Article 11: The corporation is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	Article 11: The corporation is advised to endeavor to utilize energy more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.	Make text revision in accordance with laws and regulations.
Article 16: The corporation is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures. The corporation is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam. Following is omitted.	Article 16: The corporation is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures. The corporation is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following: 1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company. 2. Indirect greenhouse gas emissions: ：emissions resulting from the input electricity, heating, or steam. 3. Other indirect emissions: emissions from Company activities that are not indirect energy emissions but come from emission sources owned or controlled by other companies. Following is omitted.	Make text revision in accordance with laws and regulations.
Chapter 5 Enhancing Disclosure of Corporate Social Responsibility	Chapter 5 Enhancing Disclosure of Sustainable Development	Make text revision in accordance with laws and regulations.
Article 27: The corporation shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information	Article 27: The corporation shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their sustainable development initiatives to improve information transparency.	Make text revision in accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
transparency. Relevant information relating to corporate social responsibility which The corporation shall disclose includes: 1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to corporate social responsibility initiatives.	Relevant information relating to sustainable development which The corporation shall disclose includes: 1. The policy, systems or relevant management guidelines, and concrete promotion plans for sustainable development y initiatives, as resolved by the board of directors. 2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare. 3. Goals and measures for realizing the sustainable development initiatives established by the companies, and performance in implementation. 4. Major stakeholders and their concerns. 5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues. 6. Other information relating to sustainable development initiatives.	
Article 28: The corporation shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.	Article 28: The corporation shall adopt internationally widely recognized standards or guidelines when producing sustainable development reports, to disclose the status of their implementation of the sustainable development policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include: 1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing sustainable development initiatives. Following is omitted.	Make text revision in accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
Following is omitted.		
Article 29: The corporation shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.	Article 29: The corporation shall at all times monitor the development of domestic and foreign sustainable development standards and the change of business environment so as to examine and improve their established sustainable development framework and to obtain better results from the implementation of the sustainable development policy.	Make text revision in accordance with laws and regulations.
Article 30: This Principles was established on Mar. 25, 2013. The 1st amendment was made on Aug. 11, 2016 The 2nd amendment was made on Mar. 25, 2020.	Article 30: This Principles was established on Mar. 25, 2013. The 1st amendment was made on Aug. 11, 2016 The 2nd amendment was made on Mar. 25, 2020. The 3rd amendment was made on Mar. 11, 2022.	Add the date and number of amendment.

Attachment 5
Accountants' Audit Report

To the Board of Directors of Young Fast Optoelectronics Co., Ltd.:

Audit Opinion

We have completed our review of Young Fast Optoelectronics Co. and Subsidiaries (Young Fast Group) Consolidated Balance Sheet for December 31, 2021 and 2020; and Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) for January 1 – December 31, 2021 and 2020.

In our opinion, the aforementioned consolidated financial statements in all major respects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the consolidated financial status of Young Fast Group as of December 31, 2021 and 2020 and its consolidated financial performance and consolidated cash flow from January 1 through December 31, 2021 and 2020.

Basis for audit opinion

We conducted our audits 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 Young Fast 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. 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 refer to the most important matters for the audit of Young Fast Group's 2021 consolidated financial statements based on our professional judgment. 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. In our judgment, revenue recognition constitutes a key audit matter to be communicated in the audit report.

For details of accounting policies regarding revenue recognition, please refer to Note 4 (17) of the consolidated financial statements on Recognition of Revenue; for details of revenue related disclosures, please refer to Note 6 (21) the consolidated financial statements.

Explanation of Key Audit Matters:

Sales revenue of Young Fast Group stands as the primary indicator for investors and management in evaluating its financial or business performance. Moreover, as a listed company, Young Fast Group is highly regarded by the investing public. Therefore, we identify revenue recognition as an important item in the audit of current year financial statements.

Corresponding Audit Procedures:

Our main audit procedures regarding the above key audit matters include:

- Testing the effectiveness of internal control design and implementation related to revenue recognition.
- Conducting trend analysis for the top ten customers in terms of sales, including a comparison of the customer list and sales revenue amounts between the current period and the most recent period and the same period of last year to assess whether there are any significant abnormalities. If there are major changes, the causes are identified and analyzed.
- Sampling and checking sales transactions of the whole year to evaluate the authenticity of sales transactions, the correctness of the recognized amounts of sales revenue, and the reasonableness of the time of accounting.
- Testing a sample of sales transactions in the period before and after the end of the year to assess whether the timing of revenue recognition is appropriate.

Other Matters

Young Fast Optoelectronics Co., Ltd. has prepared parent company only financial statements for 2021 and 2020, and the audit reports with unqualified opinions that we have issued are on file for reference.

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 with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 Young Fast Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Young Fast Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of Young Fast 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 perform the following tasks:

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 Young Fast 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 Young Fast 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 Young Fast 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 and appropriate audit evidence for the parent company only financial information within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Group. We remain solely responsible for our audit opinion regarding the Group.

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 the governance unit, we have determined key audit matters of Young Fast Group's 2021 consolidated financial statements. 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.

KPMG Taiwan

Chun-Hsiu Kuan

Accountant:

Pai-Shu Huang

Securities Regulatory Authority Authorizing Document Number ： (88) Taizaizheng (6) No. 18311
(88) Taizaizheng 6 Zi No. 0920122026

March 11, 2022

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated balance sheet

December 31, 2021 and 2020

Unit: NTD Thousand

		2021.12.31		2020.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current Assets:**				
1100	Cash and cash equivalents (Note VI (I))	$ 358,053	6	412,452	8
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	57,132	1	60,912	1
1120	Current financial assets at fair value through other comprehensive income (Note 6 (3))	3,159,014	52	2,558,789	49
1136	Financial assets measured at amortized cost - current (Notes 6 (4) and 8)	-	-	1,805	-
1150	Notes receivable, net (Note 6 (5) and (21))	111,718	2	122,572	2
1170	Accounts receivable, net (Note 6 (5) and (21))	159,832	3	82,616	2
1180	Accounts receivable due from related parties (Note 6 (5), (21) and 7)	15,476	-	321	-
1200	Other receivables (Note 6 (6))	3,665	-	4,819	-
130X	Inventory (Notes 6 (7) and 9)	327,332	5	197,518	4
1460	Non-current assets classified as held for sale, net (Note 6 (8))	-	-	21,553	-
1470	Other current assets	16,754	-	12,046	-
	Total current assets	4,208,976	69	3,475,403	66
15xx	**Non-current assets:**				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	128,266	2	43,784	1
1536	Financial assets measured at amortized cost - current (Notes 6 (4) and 8)	2,632	-	-	-
1550	Investments accounted for using equity method, net (Note 6 (9))	297,329	5	296,438	6
1600	Property, plant and equipment (Notes 6 (10) and 9)	868,016	14	864,506	17
1755	Right of use assets (Notes 6 (11), (12), (15) and 7)	140,683	3	89,004	2
1760	Investment real estate, net (Note 6 (11) and (12))	297,285	5	320,857	6
1780	Intangible assets (Note 6 (13))	6,060	-	-	-
1840	Deferred tax assets (Note 6 (18))	32,981	1	39,707	1
1915	Prepaid equipment (Note 6 (10))	15,842	-	21,393	-
1990	Other non-current assets (Note 6 (6))	62,500	1	63,853	1
	Total non-current assets	1,851,594	31	1,739,542	34
1xxx	**Total assets**	**$ 6,060,570**	**100**	**5,214,945**	**100**

		2021.12.31		2020.12.31	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term loans (Notes 6 (14) and 9)	$ 132,641	2	24,970	1
2130	Current contract liabilities (Note 6 (21)	6,028	-	14,983	-
2150	Notes payable	675	-	32	-
2170	Accounts payable	148,099	3	122,894	3
2180	Accounts payable, related parties (Note 7)	8,675	-	7,843	-
2200	Other payables (Note 6 (22) and 7)	175,032	4	158,964	3
2230	Current tax liabilities	19,604	-	13,592	-
2250	Current provisions (Note 6 (16))	16,104	-	56,624	1
2260	Liabilities directly related to non-current assets available for sale (Note 6(8))	-	-	318	-
2281	Lease liabilities (Notes 6 (15))	94	-	89	-
2282	Lease liabilities－Related parties (Notes 6 (15) and 7)	17,421	-	11,446	-
2399	Other current liabilities	4,496	-	4,315	-
	Total current liabilities	528,869	9	416,070	8
25xx	**Non-current liabilities:**				
2551	Provision for employee benefit liabilities, non-current (Note 6 (17))	8,405	-	8,740	-
2552	Provision for long-term liabilities for warranties (Note 6 (16))	80,284	1	-	-
2556	Provision for long-term liabilities for decommissioning, rehabilitation, and restoration costs (Note 6 (16))	6,131	-	6,131	-
2570	Deferred tax liabilities (Note 6 (18))	2,003	-	27	-
2581	Lease liabilities (Notes 6 (15))	17,254	-	17,849	-
2582	Lease liabilities－Related parties (Notes 6 (15) and 7)	61,622	1	12,330	-
2670	Other non current liabilities (Note 7)	72,505	1	71,477	2
	Total non-current liabilities	248,204	3	116,554	2
2xxx	**Total liabilities**	777,073	12	532,624	10
31xx	**Owners' equity attributable to the parent company (Notes VI (8), (9), (17), (18) and (19)):**				
3110	Share capital from common stock	1,513,276	25	1,513,276	29
3200	Capital reserve	2,077,180	34	2,228,508	43
	Retained earnings:				
3310	Legal reserve	43,385	1	24,523	-
3350	Undistributed surplus earnings	532,991	9	272,466	5
	Total retained earnings	576,376	10	296,989	5
3400	Other equity interest	1,062,751	18	599,232	12
	Subtotal of equity attributable to owners of parent company	5,229,583	87	4,638,005	89
36xx	**Non-controlling interests**	53,914	1	44,316	1
3xxx	**Total Equity**	5,283,497	88	4,682,321	90
2-3xxx	**Total liabilities and equity**	**$ 6,060,570**	**100**	**5,214,945**	**100**

(Please refer to the attached notes to the consolidated financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

Code	Item	2021 Amount	2021 %	2020 Amount	2020 %
4000	**Operating revenue (Note 6 (21) and 7)**	$ 1,449,291	100	926,478	100
5000	**Operating costs (Notes 6 (7), (10), (11), (13), (15), (16), (17), 7, and 12)**	1,167,724	81	741,745	80
5900	**Gross profit**	281,567	19	184,733	20
6000	**Operating expenses (Notes 6 (5), (6), (10), (11), (13), (15), (17), (22), 7, and 12):**				
6100	Marketing expenses	38,561	3	31,215	3
6200	Management expenses	139,071	10	122,567	13
6300	Research and development expenses	45,049	3	45,508	5
6450	Expected credit loss	4,795	-	(4,203)	-
	Total operating expenses	227,476	16	195,087	21
6900	**Net operating profit (loss)**	54,091	3	(10,354)	(1)
7000	**Non-operating revenue and expenses (Notes 6 (2), (8), (9), (12), (15), (23), 7 and 12):**				
7100	Interest income	293	-	3,748	-
7010	Other income	185,534	13	189,842	21
7020	Other gains and losses	2,132	-	4,470	-
7050	Finance costs, net	(3,250)	-	(4,185)	-
7060	Share of profit of associates accounted for using equity method	25,702	2	28,238	3
	Total non-operating revenue and expenses	210,411	15	222,113	24
7900	**Net profit from continuing operations before tax**	264,502	18	211,759	23
7950	**Less: Income tax expense (Note 6 (18))**	29,973	2	7,491	1
8000	**Net profit from continuing operations**	234,529	16	204,268	22
	Profit or loss from discontinued operations:				
8100	Gain (loss) from discontinued operations, net of tax (Note 6 (8))	61,936	4	(2,760)	-
8200	**Net profit for the period**	296,465	20	201,508	22
8300	**Other comprehensive income (Note 6 (9), (17), (18), and (19)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plan	(50)	-	365	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	574,849	40	(56,184)	(6)
8320	Share of other comprehensive profits and losses of affiliated companies recognized using the equity method	(3)	-	23	-
8349	Income tax related to components of other comprehensive	(10)	-	73	-
	Total items that will not be reclassified to profit or loss	574,806	40	(55,869)	(6)
8360	**Items that may subsequently be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(110,763)	(8)	(65,175)	(7)
8370	Share of other comprehensive profits and losses of affiliated companies recognized using the equity method	(567)	-	1,036	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	(111,330)	(8)	(64,139)	(7)
8300	**Other comprehensive income for the current period**	463,476	32	(120,008)	(13)
8500	**Total comprehensive income for the current period**	**$ 759,941**	**52**	**81,500**	**9**
	Profit attributable to:				
8610	Owners of parent	$ 279,430	19	188,309	21
8620	Non-controlling interests	17,035	1	13,199	1
		$ 296,465	**20**	**201,508**	**22**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 742,906	51	68,301	7
8720	Non-controlling interests	17,035	1	13,199	2
		$ 759,941	**52**	**81,500**	**9**
9750	**Basic EPS (Unit: New Taiwan Dollars) (Note 6 (20))**				
	Net profit derived from continuing operations	$	1.44		1.26
	Net profit (loss) derived from discontinued operations		0.41		(0.02)
		$	**1.85**		**1.24**
9850	**Diluted EPS (Unit: New Taiwan Dollars) (Note 6 (20))**				
	Net profit derived from continuing operations	$	1.43		1.26
	Net profit (loss) derived from discontinued operations		0.41		(0.02)
		$	**1.84**		**1.24**

(Please refer to the attached notes to the consolidated financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	Equity attributable to owners of parent										
			Retained earnings			Total other equity interest					
	Share capital from common stock	Capital reserve	Legal reserve	Undistributed surplus earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 1,513,276	2,289,039	11,155	157,741	168,896	85,500	634,055	719,555	4,690,766	36,876	4,727,642
Earnings allocation and distribution:											
Provision for legal reserve	-	-	13,368	(13,368)	-	-	-	-	-	-	-
Common stock cash dividend	-	-	-	(60,531)	(60,531)	-	-	-	(60,531)	-	(60,531)
Changes in other capital reserve:											
Cash dividends from capital reserve	-	(60,531)	-	-	-	-	-	-	(60,531)	-	(60,531)
Net profit for the period	-	-	-	188,309	188,309	-	-	-	188,309	13,199	201,508
Other comprehensive income, net of tax, for the period	-	-	-	315	315	(64,139)	(56,184)	(120,323)	(120,008)	-	(120,008)
Total comprehensive income for the period	-	-	-	188,624	188,624	(64,139)	(56,184)	(120,323)	68,301	13,199	81,500
Reduction in non-controlling interests	-	-	-	-	-	-	-	-	-	(5,759)	(5,759)
Balance at December 31, 2020	1,513,276	2,228,508	24,523	272,466	296,989	21,361	577,871	599,232	4,638,005	44,316	4,682,321
Earnings allocation and distribution:											
Provision for legal reserve	-	-	18,862	(18,862)	-	-	-	-	-	-	-
Changes in other capital reserve:											
Cash dividends from capital reserve	-	(151,328)	-	-	-	-	-	-	(151,328)	-	(151,328)
Net profit for the period	-	-	-	279,430	279,430	-	-	-	279,430	17,035	296,465
Other comprehensive income, net of tax, for the period	-	-	-	(43)	(43)	(111,330)	574,849	463,519	463,476	-	463,476
Total comprehensive income for the period	-	-	-	279,387	279,387	(111,330)	574,849	463,519	742,906	17,035	759,941
Reduction in non-controlling interests	-	-	-	-	-	-	-	-	-	(7,437)	(7,437)
Balance at December 31, 2021	**$ 1,513,276**	**2,077,180**	**43,385**	**532,991**	**576,376**	**(89,969)**	**1,152,720**	**1,062,751**	**5,229,583**	**53,914**	**5,283,497**

(Please refer to the attached notes to the consolidated financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	2021	2020
Cash flows from operating activities:		
Profit (loss) from continuing operations before tax	$ 264,502	211,759
Pre-tax net profit (loss) from discontinued operations	61,936	(2,760)
Net profit before tax for the current period	326,438	208,999
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	94,721	85,493
Amortization expense	331	2,697
Expected credit loss	4,795	(4,203)
Loss (gain) on financial assets at fair value through profit or loss	3,780	(8,388)
Interest expense	3,250	4,185
Interest income	(351)	(3,766)
Dividend income	(115,581)	(111,445)
Share of profit of associates accounted for using equity method	(25,702)	(28,238)
Proceeds from disposal of property, plant and equipment	(120)	(3,863)
Lease modification gains	(39)	-
Disposal gain on discontinued operations	(65,633)	-
Total income and expense items	(100,549)	(67,528)
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Notes receivable	(8,085)	(12,713)
Accounts receivable (including related parties)	(92,206)	10,326
Other receivables (including related parties)	1,930	1,264
Inventory	(129,814)	(82,467)
Other current assets	(4,619)	(7,679)
Other non-current assets	13,979	(290)
Total changes in operating assets, net	(218,815)	(91,559)
Changes in operating liabilities, net:		
Contract liabilities	(8,955)	11,779
Notes payable	643	(65)
Accounts payable (including related parties)	26,037	(6,300)
Other payables	12,697	38,759
Provisions	39,764	46,950
Other current liabilities	181	3,004
Non-current net defined benefit liability	(385)	(359)
Decrease in other operating liabilities	69,982	93,768
Net changes in operating assets and liabilities	(148,833)	2,209
Total adjustments	(249,382)	(65,319)
Cash inflow generated from operations	77,056	143,680
Interest received	351	3,766
Interest paid	(3,250)	(4,185)
Payment of income tax	(14,839)	(3,142)
Net cash inflow from operating activities	59,318	140,119
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(129,276)	(210,277)
Capital reduction of non-current financial assets at fair value through other comprehensive income	19,418	-
Acquired financial assets measured at amortized cost	(827)	(62)
Acquisition of property, plant and equipment	(73,301)	(31,086)
Disposal of property, plant and equipment	120	3,863
Increase in refundable deposits	(361)	(814)
Acquisition of intangible assets	(6,138)	-
Decrease (increase) in prepaid equipment	5,551	(17,252)
Dividends received	139,822	147,806
Net cash flows (used in) from investing activities	(44,992)	(107,822)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	797,760	469,842
Decrease in short-term borrowings	(689,529)	(504,675)
Increase (decrease) in deposits received	2,625	(3,013)
Payment of lease liabilities	(17,602)	(14,252)
Payment of cash dividends	(151,328)	(121,062)
Change in non-controlling interests	(7,437)	(5,759)
Net cash flows used in financing activities	(65,511)	(178,919)
Effect of exchange rate changes on cash and cash equivalents	(24,635)	(21,547)
Net decrease in cash and cash equivalents for the period	(75,820)	(168,169)
Cash and cash equivalents at beginning of period	433,873	602,042
Cash and cash equivalents at end of period	**$ 358,053**	**433,873**
Composition of cash and cash equivalents:		
Cash and cash equivalents reported in the statement of financial position	$ 358,053	412,452
Cash and cash equivalents classified into non-current assets held for sale	-	21,421
Cash and cash equivalents at end of period	**$ 358,053**	**433,873**

(Please refer to the attached notes to the consolidated financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Auditing Report of the Certified Accountants

To the Board of Directors of Young Fast Optoelectronics Co., Ltd.:

Audit Opinion

We have completed our review of Young Fast Optoelectronics Co. Balance Sheet for December 31, 2021 and 2020; and Statements of Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) for January 1 – December 31, 2021 and 2020.

In our opinion, the aforementioned parent company only financial statements in all material respects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. They are sufficient to adequately express the financial status of Young Fast Optoelectronics Co. as of December 31, 2021 and 2020 and its financial performance and cash flows from January 1 through December 31, 2021 and 2020.

Basis for Opinion

We conducted our audits 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 Parent Company Only Financial Statements section of our report. We are independent of Young Fast Optoelectronics Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 2021 parent company only financial statements of Young Fast Optoelectronics Co., Ltd. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, revenue recognition constitutes a key audit matter to be communicated in the audit report.

For details of accounting policies regarding revenue recognition, please refer to Note 4 (17) of the parent company only financial statements on Recognition of Revenue; for details of revenue related disclosures, please refer to Note 6 (20) the parent company only financial statements.

Explanation of Key Audit Matters:

Sales revenue of Young Fast Optoelectronics Co., Ltd. stands as the primary indicator for investors and management in evaluating its financial or business performance. Moreover, as a listed company, Young Fast Optoelectronics Co., Ltd. is highly regarded by the investing public. Therefore, we identify revenue recognition as an important item in the audit of current year financial statements.

Corresponding Audit Procedures:

Our main audit procedures regarding the above key audit matters include:

- Testing the effectiveness of internal control design and implementation related to revenue recognition.
- Conducting trend analysis for the top ten customers in terms of sales, including a comparison of the customer list and sales revenue amounts between the current period and the most recent period and the same period of last year to assess whether there are any significant abnormalities. If there are major changes, the causes are identified and analyzed.
- Sampling and checking sales transactions of the whole year to evaluate the authenticity of sales transactions, the correctness of the recognized amounts of sales revenue, and the reasonableness of the time of accounting.
- Testing a sample of sales transactions in the period before and after the end of the year to assess whether the timing of revenue recognition is appropriate.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of Young Fast Optoelectronics Co., Ltd., disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Young Fast Optoelectronics Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the financial reporting process of Young Fast Optoelectronics Co., Ltd.

Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 perform the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only 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 Young Fast Optoelectronics Co., Ltd.
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 Young Fast Optoelectronics Co., Ltd. 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 parent company only 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 Young Fast Optoelectronics Co., Ltd. to cease to continue as a going concern.

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

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 parent company only financial statements of Young Fast Optoelectronics Co., Ltd. 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

KPMG Taiwan

Chun-Hsiu Kuan

Accountant:

Pai-Shu Huang

Securities Regulatory Authority Authorizing Document Number ：(88) Taizaizheng (6) No. 18311
(88) Taizaizheng 6 Zi No. 0920122026

March 11, 2022

Young Fast Optoelectronics Co., Ltd.

Balance sheet

December 31, 2021 and 2020

Unit: NTD Thousand

Code	Assets	2021.12.31 Amount	%	2020.12.31 Amount	%
11xx	**Current Assets:**				
1100	Cash and cash equivalents (Notes 6 (1) and 7)	$ 279,313	5	316,670	6
1110	Current financial assets at fair value through profit or loss (Note 6 (2))	57,132	1	60,912	1
1120	Current financial assets at fair value through other comprehensive income (Note 6 (3))	3,159,014	54	2,558,789	51
1150	Notes receivable, net (Note 6 (4) and (20))	111,718	2	122,572	2
1170	Accounts receivable, net (Note 6 (4) and (20))	159,832	3	82,616	2
1180	Accounts receivable due from related parties (Notes 6 (4), (20) and 7)	15,476	-	321	-
1200	Other receivables (Note 6 (5))	1,814	-	2,357	-
1210	Other receivables due from related parties, net (Note 6 (5) and 7)	122,700	2	179,817	4
130X	Inventory (Notes 6 (6) and 9)	221,448	4	110,116	2
1460	Non-current assets classified as held for sale, net (Note 6 (7))	-	-	21,235	-
1470	Other current assets	5,637	-	6,858	-
	Total current assets	4,134,084	71	3,462,263	68
15xx	**Non-current assets:**				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	128,266	2	43,784	1
1550	Investments accounted for using equity method, net (Note 6 (8))	981,411	18	1,001,368	20
1600	Property, plant and equipment (Notes 6 (9), 7, and 9)	428,237	7	404,773	8
1755	Right of use assets (Notes 6 (10), (14), and 7)	65,340	1	19,420	-
1760	Investment real estate, net (Note 6 (11))	76,365	1	76,544	2
1780	Intangible assets (Note 6 (12))	6,060	-	-	-
1840	Deferred tax assets (Note 6 (17))	25,752	-	35,282	1
1915	Prepaid equipment	14,126	-	7,941	-
1990	Other non-current assets (Note 6 (5))	6,192	-	5,875	-
	Total non-current assets	1,731,749	29	1,594,987	32
1xxx	**Total assets**	$ 5,865,833	100	5,057,250	100

Code	Liabilities and Equity	2021.12.31 Amount	%	2020.12.31 Amount	%
21xx	**Current liabilities:**				
2100	Short-term loans (Notes 6 (12), 7, and 9)	$ 41,297	1	5,034	-
2130	Current contract liabilities (Note 6 (20))	6,028	-	14,983	-
2150	Notes payable	675	-	32	-
2170	Accounts payable	130,801	2	96,565	2
2180	Accounts payable, related parties (Note 7)	109,192	2	45,910	1
2200	Other payables (Note 6 (21) and 7)	139,174	2	126,546	3
2230	Current tax liabilities	6,076	-	1,347	-
2250	Current provisions (Note 6 (15))	12,551	-	36,165	1
2282	Lease liabilities－Related parties (Notes 6 (14) and 7)	14,574	-	9,781	-
2399	Other current liabilities	2,856	-	1,862	-
	Total current liabilities	463,224	7	338,225	7
25xx	**Non-current liabilities:**				
2551	Provision for employee benefit liabilities, non-current (Note 6 (16))	8,405	-	8,740	-
2552	Provision for long-term liabilities for warranties (Note 6 (15))	50,924	2	-	-
2556	Provision for long-term liabilities for decommissioning, rehabilitation, and restoration costs (Note 6 (15))	5,069	-	5,069	-
2570	Deferred tax liabilities (Note 6 (17))	1,968	-	27	-
2582	Lease liabilities－Related parties (Notes 6 (14) and 7)	50,984	1	9,929	-
2670	Other non-current liabilities	55,676	1	57,255	1
	Total non-current liabilities	173,026	4	81,020	1
2xxx	**Total liabilities**	636,250	11	419,245	8
31xx	**Equity (Note 6 (7), (8), (16), (17), and (18)):**				
3110	Share capital from common stock	1,513,276	26	1,513,276	30
3200	Capital reserve	2,077,180	35	2,228,508	44
	Retained earnings:				
3310	Legal reserve	43,385	1	24,523	-
3350	Undistributed surplus earnings	532,991	9	272,466	6
	Total retained earnings	576,376	10	296,989	6
3400	Other equity interest	1,062,751	18	599,232	12
3xxx	**Total Equity**	5,229,583	89	4,638,005	92
2-3xxx	**Total liabilities and equity**	$ 5,865,833	100	5,057,250	100

(For details, please refer to the attached notes to the parent company only financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd.
Statement of Comprehensive Income
January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

		2021 Amount	%	2020 Amount	%
4000	**Operating revenue (Note 6 (20) and 7)**	$ 1,452,295	100	929,178	100
5000	**Operating costs (Notes 6 (6), (9), (10), (12), (14), (15), (16), 7, and 12)**	1,211,193	83	746,430	80
5900	**Operating margin**	241,102	17	182,748	20
6000	**Operating expenses (Notes 6 (4), (5), (9), (10), (12), (14), (16), (21) 7, and 12):**				
6100	Marketing expenses	26,279	2	22,613	2
6200	Management expenses	102,499	7	94,488	10
6300	Research and development expenses	45,049	3	45,393	5
6450	Expected credit loss	4,795	-	(4,203)	-
	Total operating expenses	178,622	12	158,291	17
6900	**Net operating profit**	62,480	5	24,457	3
7000	**Non-operating revenue and expenses (Notes 6 (2), (7), (8), (11), (14), (22), 7 and 12):**				
7100	Interest income	490	-	4,031	-
7010	Other income	123,402	8	129,665	14
7020	Other gains and losses	57,246	4	(7,142)	(1)
7050	Finance costs	(758)	-	(795)	-
7060	Share of profit or loss of subsidiaries and affiliates accounted for using the equity method	54,220	3	34,795	4
	Total non-operating revenue and expenses	234,600	15	160,554	17
7900	**Net profit from continuing operations before tax**	297,080	20	185,011	20
7950	**Less: Income tax expense (benefit) (Note 6 (17))**	17,650	1	(3,298)	-
8200	**Net profit for the period**	279,430	19	188,309	20
8300	**Other comprehensive income (Note 6 (8), (16), (17), and (18)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plan	(50)	-	365	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	574,849	40	(56,184)	(6)
8320	Share of other comprehensive profits and losses of subsidiaries, affiliates, and joint ventures recognized using the equity method	(3)	-	23	-
8349	Less: Income tax related to items that will not be reclassified	(10)	-	73	-
	Total items that will not be reclassified to profit or loss	574,806	40	(55,869)	(6)
8360	**Items that may subsequently be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(110,763)	(8)	(65,175)	(7)
8380	Share of other comprehensive profits and losses of subsidiaries, affiliates, and joint ventures recognized using the equity method	(567)	-	1,036	-
8399	Less: Income tax related to items that may be reclassified	-	-	-	-
	Total items that may subsequently be reclassified to profit or loss	(111,330)	(8)	(64,139)	(7)
8300	**Other comprehensive income, net of tax, for the period**	463,476	32	(120,008)	(13)
8500	**Total comprehensive income for the period**	**$ 742,906**	**51**	**68,301**	**7**
9710	**Earnings per share (Unit: NTD) (Note 6 (19))**				
9750	Basic earnings per share	**$**	**1.85**		**1.24**
9850	Diluted earnings per share	**$**	**1.84**		**1.24**

(For details, please refer to the attached notes to the parent company only financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd.

Statement of Changes in Equity

January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

			Retained earnings			Total other equity interest			
	Share capital from common stock	**Capital reserve**	**Legal reserve**	**Undistributed surplus earnings**	**Total**	**Exchange differences on translation of foreign financial statements**	**Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income**	**Total**	**Total equity**
Balance at January 1, 2020	$ 1,513,276	2,289,039	11,155	157,741	168,896	85,500	634,055	719,555	4,690,766
Earnings allocation and distribution:									
Provision for legal reserve	-	-	13,368	(13,368)	-	-	-	-	-
Common stock cash dividend	-	-	-	(60,531)	(60,531)	-	-	-	(60,531)
Changes in other capital reserve:									
Cash dividends from capital reserve	-	(60,531)	-	-	-	-	-	-	(60,531)
Net profit for the period	-	-	-	188,309	188,309	-	-	-	188,309
Other comprehensive income, net of tax, for the period	-	-	-	315	315	(64,139)	(56,184)	(120,323)	(120,008)
Total comprehensive income for the period	-	-	-	188,624	188,624	(64,139)	(56,184)	(120,323)	68,301
Balance at December 31, 2020	1,513,276	2,228,508	24,523	272,466	296,989	21,361	577,871	599,232	4,638,005
Earnings allocation and distribution:									
Provision for legal reserve	-	-	18,862	(18,862)	-	-	-	-	-
Changes in other capital reserve:									
Cash dividends from capital reserve	-	(151,328)	-	-	-	-	-	-	(151,328)
Net profit for the period	-	-	-	279,430	279,430	-	-	-	279,430
Other comprehensive income, net of tax, for the period	-	-	-	(43)	(43)	(111,330)	574,849	463,519	463,476
Total comprehensive income for the period	-	-	-	279,387	279,387	(111,330)	574,849	463,519	742,906
Balance at December 31, 2021	$ 1,513,276	2,077,180	43,385	532,991	576,376	(89,969)	1,152,720	1,062,751	5,229,583

(For details, please refer to the attached notes to the parent company only financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Young Fast Optoelectronics Co., Ltd.

Statement of Cash Flows

January 1 to December 31, 2021 and 2020

Unit: NTD Thousand

	2021	2020
Cash flows from operating activities:		
Profit (loss) before tax for the current period	$ 297,080	185,011
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	29,639	22,633
Amortization expense	78	-
Expected credit loss	4,795	(4,203)
Loss (gain) on financial assets at fair value through profit or loss	3,780	(8,388)
Interest expense	758	795
Interest income	(490)	(4,031)
Dividend income	(115,581)	(111,445)
Profit from subsidiaries and affiliates accounted for using the equity method	(54,220)	(34,795)
Proceeds from disposal of property, plant and equipment	(120)	(3,893)
Lease modification benefits	(12)	-
Proceeds from disposal of non-current assets held for sale	(65,633)	-
Total income and expense items	(197,006)	(143,327)
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Notes receivable	(8,085)	(12,713)
Accounts receivable (including related parties)	(92,206)	36,900
Other receivables (including related parties)	5,406	8,489
Inventory	(111,332)	(50,363)
Other current assets	1,221	(3,638)
Other non-current assets	13,979	-
Total changes in operating assets, net	(191,017)	(21,325)
Changes in operating liabilities, net:		
Contract liabilities	(8,955)	11,779
Notes payable	643	(65)
Accounts payable (including related parties)	97,518	15,929
Other payables	9,971	37,550
Provisions	27,310	32,899
Other current liabilities	994	651
Non-current net defined benefit liability	(385)	(359)
Decrease in other operating liabilities	127,096	98,384
Net changes in operating assets and liabilities	(63,921)	77,059
Total adjustments	(260,927)	(66,268)
Cash inflow generated from operations	36,153	118,743
Interest received	490	4,031
Interest paid	(758)	(795)
Payment of income tax	(1,030)	(736)
Net cash inflow from operating activities	34,855	121,243
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(129,276)	(210,277)
Capital reduction of non-current financial assets at fair value through other comprehensive income	19,418	-
Disposal of non-current assets held for sale	17,375	-
Acquisition of property, plant and equipment	(37,477)	(21,731)
Disposal of property, plant and equipment	120	6,862
Increase in refundable deposits	(317)	(817)
Acquisition of intangible assets	(6,138)	-
Decrease (increase) in other receivables due from related parties	51,844	(44,843)
Increase in prepaid equipment	(6,185)	(5,767)
Dividends received	147,562	153,798
Net cash inflow (outflow) from investing activities	56,926	(122,775)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	119,600	392,945
Decrease in short-term borrowings	(83,337)	(447,911)
Increase in deposits received	20	-
Payment of lease liabilities	(12,850)	(9,636)
Decrease in other non-current liabilities	(1,243)	-
Payment of cash dividends	(151,328)	(121,062)
Net cash flows used in financing activities	(129,138)	(185,664)
Net decrease in cash and cash equivalents for the period	(37,357)	(187,196)
Cash and cash equivalents at beginning of period	316,670	503,866
Cash and cash equivalents at end of period	**$ 279,313**	**316,670**

(For details, please refer to the attached notes to the parent company only financial statements)

Chairman: Chihchiang Pai **Manager: Yichuan Hsu** **Chief Accountant: Weiju Hsu**

Attachment 6

Young Fast Optoelectronics Co., Ltd.

Earnings Distribution Statement

Year 2021

UNIT: NT$

NOTES	AMOUNT
Unappropriated retained earnings, beginning of period	253,603,726
Less: Remeasurements of the defined benefit plan	(44,600)
Add: Reversal of appropriated retained earnings	279,431,273
Less: Provision for legal reserve（10%）	(27,938,667)
Net profits for the period	505,051,732
Distribution items:	
Shareholder cash dividends(NTD0.7/per share)	(105,929,320)
Unappropriated retained earnings, end of period	399,122,412

Chairperson: Chihchiang Pai Officer: Yichuan Hsu Accounting officer: Weiju Hsu

Attachment 7

Young Fast Optoelectronics Co., Ltd.
Comparison of the previous and the amended "Procedures for the Acquisition or Disposal of Assets"

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
Article8: Operational procedures for acquiring or disposing of real property, equipment, or right-of-use assets I～III is omitted. IV (I) and (II) is omitted. (III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: Following is omitted.	Article8: Operational procedures for acquiring or disposing of real property, equipment, or right-of-use assets I～III is omitted. IV (I) and (II) is omitted. (III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: Following is omitted.	In accordance with laws and regulations.
Article9: Operational procedures for acquiring or disposing of securities I is omitted. II. Appointment of experts to issue opinions (I) If the dollar amount of the transaction for acquiring or disposing of securities is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant prior to the	Article9: Operational procedures for acquiring or disposing of securities I is omitted. II.Appointment of experts to issue opinions (I)If the dollar amount of the transaction for acquiring or disposing of securities is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant prior to the	In accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market or Following is omitted.	date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market or Following is omitted.	
Article10: Related Party Transactions II. Appraisal and operating procedures When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors: Following is omitted.	Article10: Related Party Transactions II. When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors: Following is omitted. III. If the company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 2 and the transaction amount will reach 10 percent or more of the company's total assets, the company	In accordance with laws and regulations.

<table>
<tr><th colspan="2">Content</th><th rowspan="2">Amendment basis and reason</th></tr>
<tr><th>Provisions before amendment</th><th>Provisions after amendment</th></tr>
<tr><td>III. When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
Following is omitted.
IV. Assessment of reasonableness of transaction costs
Following is omitted.</td><td>shall submit the materials in all the subparagraphs of paragraph 2 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the company and its parent company or subsidiaries or between its subsidiaries.
IV.The calculation of the transaction amounts referred to in paragraph 2 and the preceding paragraph shall be made in accordance with Article 15, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders meeting or board of directors and recognized by the supervisors need not be counted toward the transaction amount.
V.When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
Following is omitted.
VI. Assessment of reasonableness of transaction costs
Following is omitted.</td><td></td></tr>
<tr><td>Article11: Operational procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships
I~III is omitted</td><td>Article11: Operational procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships
I~III is omitted</td><td>In accordance with laws and regulations.</td></tr>
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<tr><th colspan="2">Content</th><th rowspan="2">Amendment basis and reason</th></tr>
<tr><th>Provisions before amendment</th><th>Provisions after amendment</th></tr>
<tr><td>IV.
(I) In acquiring or disposing of right-of-use assets or memberships thereof where the transaction amount reaches 1 percent of the company's paid-in capital or NT$3 million or more, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser.
(II) In acquiring or disposing of intangible assets thereof where the transaction amount reaches 10 percent of the company's paid-in capital or NT$20 million or more, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser.
(III) Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</td><td>IV.
(I) In acquiring or disposing of memberships thereof where the transaction amount reaches 1 percent of the company's paid-in capital or NT$3 million or more, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser.
(II) In acquiring or disposing of intangible assets or right-of-use assets thereof where the transaction amount reaches 10 percent of the company's paid-in capital or NT$20 million or more, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser.
(III) Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</td><td></td></tr>
<tr><td>Article15: Procedures for public disclosure of information
I.(I)~(VII) is omitted
provided, this shall not apply to the following circumstances:
1. Trading of domestic government bonds.
2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or</td><td>Article15: Procedures for public disclosure of information
I.(I)~(VII) is omitted
provided, this shall not apply to the following circumstances:
1. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</td><td>In accordance with laws and regulations.</td></tr>
</table>

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. Following is omitted.	2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. Following is omitted.	
Article20:This Procedures was established on Nov. 16, 2007. The 1st amendment was made on Jun. 15, 2011. The 2nd amendment was made on Jun. 21, 2012. The 3rd amendment was made on Jun. 27, 2014. The 4th amendment was made on Jun. 14, 2017. The 5th amendment was made on Jun. 19, 2019. The 6th amendment was made on Jun. 30, 2020.	Article20:This Procedures was established on Nov. 16, 2007. The 1st amendment was made on Jun. 15, 2011. The 2nd amendment was made on Jun. 21, 2012. The 3rd amendment was made on Jun. 27, 2014. The 4th amendment was made on Jun. 14, 2017. The 5th amendment was made on Jun. 19, 2019. The 6th amendment was made on Jun. 30, 2020. The 7th amendment was made on Jun. 29, 2022.	Add the date and number of amendment.

Attachment 8

Young Fast Optoelectronics Co., Ltd.

Comparison of the previous and the amended "Article of Incorporation"

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
Article 10: There are two types of shareholder meeting: regular and special. The regular meeting is held once a year and shall be convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. A special meeting can be convened according to the law when necessary.	Article 10: There are two types of shareholder meeting: regular and special. The regular meeting is held once a year and shall be convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. A special meeting can be convened according to the law when necessary; shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.	In accordance with laws and regulations.
Article 24-1: If a surplus exists in the Company's yearly final accounts, taxes should first be paid to offset any prior deficits and 10% of the current surplus is to be set aside as legal reserve. In addition and in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, for net deductions in other shareholders' equity incurred in the current year (such as exchange differences on translation of foreign financial statements, unrealized gains and losses of financial assets available for sale, benefits from hedging tools that are used in effective cash flow hedging, accumulated balance of losses, etc.) a special reserve is provided withdrawing the same amount of the current year's after-tax surplus and previous undistributed surplus. For the amount of other deductions from the shareholders' equity accumulated in previous periods, distribution shall not be	Article 24-1: If a surplus exists in the Company's yearly final accounts, taxes should first be paid to offset any prior deficits and 10% of the current surplus is to be set aside as legal reserve. In addition and in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, for net deductions in other shareholders' equity incurred in the current year (such as exchange differences on translation of foreign financial statements, unrealized gains and losses of financial assets available for sale, benefits from hedging tools that are used in effective cash flow hedging, accumulated balance of losses, etc.) The same amount of the special reserve shall be set aside but shall not be distributed. Items other than the net profit after tax of the current year are added to the net profit after tax of the current year, and be accounted in the amount of	In accordance with laws and regulations.

<table>
<tr><th colspan="2">Content</th><th rowspan="2">Amendment basis and reason</th></tr>
<tr><th>Provisions before amendment</th><th>Provisions after amendment</th></tr>
<tr><td>made of the same amount of special reserve from the undistributed surplus from the previous periods. If there is a subsequent reversal of the amount of deduction from the shareholders' equity, the reversed portion of the surplus may be distributed.
Following is omitted.</td><td>undistributed surplus of the current period to set aside. If there is still a shortage, shall set aside from the undistributed surplus of the previous period. If the amount belongs to the deduction of other shareholders' equity accumulated in the previous period, then it shall be set aside the same amount of the special reserve from the undistributed surplus from the previous period. If there is still a shortage, items other than the net profit after tax of the current period are added to the net profit after tax, and be accounted in the amount of undistributed surplus of the current year to set aside. If there is a subsequent reversal of the amount of deduction from the shareholders' equity, the reversed portion of the surplus may be distributed.
Following is omitted.</td><td></td></tr>
<tr><td>Artilce 27: This Article was established on July 22, 2002.
The 1st amendment was made on May 2, 2003.
The 2nd amendment was made on July 15, 2003.
The 3rd amendment was made on Feb. 6, 2006.
The 4th amendment was made on June 21, 2006.
The 5th amendment was made on Nov. 23, 2007.
The 6th amendment was made on May 30, 2008.
The 7th amendment was made on Apr. 15, 2009.
The 8th amendment was made on Apr 30, 2010.
The 9th amendment was made on June 21, 2012.
The 10th amendment was made on June 13, 2016.
The 11th amendment was made on June 14, 2017.
The 12th amendment was made on June 19, 2019.
The 13th amendment was made on June 30, 2020.</td><td>Artilce 27: This Article was established on July 22, 2002.
The 1st amendment was made on May 2, 2003.
The 2nd amendment was made on July 15, 2003.
The 3rd amendment was made on Feb. 6, 2006.
The 4th amendment was made on June 21, 2006.
The 5th amendment was made on Nov. 23, 2007.
The 6th amendment was made on May 30, 2008.
The 7th amendment was made on Apr. 15, 2009.
The 8th amendment was made on Apr 30, 2010.
The 9th amendment was made on June 21, 2012.
The 10th amendment was made on June 13, 2016.
The 11th amendment was made on June 14, 2017.
The 12th amendment was made on June 19, 2019.
The 13th amendment was made on June 30, 2020.
The 14th amendment was made on June 29, 2022.</td><td>Add the date and number of amendment.</td></tr>
</table>

Attachment 9

Young Fast Optoelectronics Co., Ltd.

Comparison of the previous and the amended "Rules of Procedure for Shareholders Meeting"

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
Article 3: Unless otherwise provided by law or regulation, the corporation's shareholders meetings shall be convened by the board of directors. The corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the corporation shall also have prepared the shareholders meeting agenda and	Article 3: Unless otherwise provided by law or regulation, the corporation's shareholders meetings shall be convened by the board of directors. Changes to how the corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice. The corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the corporation has the paid-in capital of NT$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign	In accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form Following is omitted.	shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the corporation and the professional shareholder services agent designated thereby. The corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting: 1. For physical shareholders meetings, to be distributed on-site at the meeting. 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. 3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform. Following is omitted.	
Article 4: I.~III. is omitted	Article 4: I.~III. is omitted If, after a proxy form is delivered to the corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the corporation two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy	In accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
	shall prevail.	
Article 5: Principles determining the time and place of a shareholders meeting I. is omitted	Article 5: Principles determining the time and place of a shareholders meeting I. is omitted The restrictions on the place of the meeting shall not apply when the corporation convenes a virtual-only shareholders meeting.	In accordance with laws and regulations.
Article 6: Preparation of documents such as the attendance book The corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented	Article 6: Preparation of documents such as the attendance book The corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Thw corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy	In accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification. IV.~VI. is omitted	forms shall also bring identification documents for verification. IV.~VI. is omitted In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the corporation two days before the meeting date. In the event of a virtual shareholders meeting, the corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.	
	Article 6-1: Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice I. To convene a virtual shareholders meeting, the corporation shall include the follow particulars in the shareholders meeting notice: How shareholders attend the virtual meeting and exercise their rights. II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. (II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not	In accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
	attend the postponed or resumed session. (III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting. (IV) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out. III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.	
Article 8: Documentation of a shareholders meeting by audio or video I.~II. is omitted.	Article 8: Documentation of a shareholders meeting by audio or video I.~II. is omitted. Where a shareholders meeting is held online, the corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the corporation, and continuously audio and video record,	In accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
	without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting. In case of a virtual shareholders meeting, the corporation is advised to audio and video record the back-end operation interface of the virtual meeting platform.	
Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. II is omitted. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to	Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. II is omitted. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the corporation shall also declare the meeting adjourned at the virtual meeting platform. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending	In accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. Following is omitted.	shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the corporation in accordance with Article 6. Following is omitted.	
Article 11: Shareholder speech I.~VI. is omitted.	Article 11: Shareholder speech I.~VI. is omitted. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs I to V do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.	In accordance with laws and regulations.
Article 13 I~III is omitted. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the corporation, by the same	Article 13 I~III is omitted. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the corporation, by the same	In accordance with laws and regulations.

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. V~VIII is omitted.	means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. V~VIII is omitted. When the corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting. In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately. When the corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary	

<table>
<tr><th colspan="2">Content</th><th rowspan="2">Amendment basis and reason</th></tr>
<tr><th>Provisions before amendment</th><th>Provisions after amendment</th></tr>
<tr><td></td><td>motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</td><td></td></tr>
<tr><td>Article 15
I~III is omitted.</td><td>Article 15
I~III is omitted.
Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online</td><td>In accordance with laws and regulations.</td></tr>
<tr><td>Article 16: Public disclosure
On the day of a shareholders meeting, the corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.</td><td>Article 16: Public disclosure
On the day of a shareholders meeting, the corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes</td><td>In accordance with laws and regulations.</td></tr>
</table>

<table>
<tr><th colspan="2">Content</th><th rowspan="2">Amendment basis and reason</th></tr>
<tr><th>Provisions before amendment</th><th>Provisions after amendment</th></tr>
<tr><td>Following is omitted.</td><td>before the meeting starts, and keep this information disclosed until the end of the meeting.
During the corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
Following is omitted.</td><td></td></tr>
<tr><td></td><td>Article 19: Disclosure of information at virtual meetings
In the event of a virtual shareholders meeting, the corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</td><td>In accordance with laws and regulations.</td></tr>
<tr><td></td><td>Article 20: Location of the chair and secretary of virtual-only shareholders meeting
When the corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</td><td>In accordance with laws and regulations.</td></tr>
<tr><td></td><td>Article 21: Handling of disconnection
In the event of a virtual shareholders meeting, the corporation may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.
In the event of a virtual shareholders</td><td>In accordance with laws and regulations.</td></tr>
</table>

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
	meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for	

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
	which votes have been cast and counted and results have been announced, or list of elected directors and supervisors. When the corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting. When postponing or resuming a meeting according to the second paragraph, the corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and	

Content		Amendment basis and reason
Provisions before amendment	Provisions after amendment	
	Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.	
	Article 22: Handling of digital divide When convening a virtual-only shareholders meeting, the corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.	In accordance with laws and regulations.
Article 20: This Rules was established on Nov. 16, 2007. The 1st amendment was made on June 15, 2011. The 2nd amendment was made on June 21, 2012. The 3rd amendment was made on June 28, 2013. The 4th amendment was made on June 18, 2015. The 5th amendment was made on June 14, 2017. The 6th amendment was made on June 30, 2020. The 7th amendment was made on Aug. 3, 2021.	Article 24: This Rules was established on Nov. 16, 2007. The 1st amendment was made on June 15, 2011. The 2nd amendment was made on June 21, 2012. The 3rd amendment was made on June 28, 2013. The 4th amendment was made on June 18, 2015. The 5th amendment was made on June 14, 2017. The 6th amendment was made on June 30, 2020. The 7th amendment was made on Aug. 3, 2021. The 8th amendment was made on June. 29, 2022.	Add the date and number of amendment.

Appendix 1

Young Fast Optoelectronics Co., Ltd.
Article of Incorporation

Chapter 1 General principles

Article 1: The Company is organized in accordance with the provisions of the Company Act and is named Young Fast Optoelectronics Co., Ltd.

Article 2: The Company's scope of business is as follows:

1. CB01010 Mechanical Equipment Manufacturing
2. CC01010 Manufacture of Power Generation, Transmission and Distribution Machinery
3. CC01020 Electric Wires and Cables Manufacturing
4. CC01070 Wireless Communication Mechanical Equipment Manufacturing
5. CC01080 Electronics Components Manufacturing
6. E603010 Cable Installation Engineering
7. E604010 Machinery Installation
8. F113010 Wholesale of Machinery
9. F113020 Wholesale of Electrical Appliances
10. F106010 Wholesale of Hardware
11. F206010 Retail Sale of Hardware
12. F213010 Retail Sale of Electrical Appliances
13. F213060 Retail Sale of Telecommunication Apparatus
14. F213080 Retail Sale of Machinery and Tools
15. F401010 International Trade
16. CC01110 Computer and Peripheral Equipment Manufacturing
17. CC01120 Data Storage Media Manufacturing and Duplicating
18. F119010 Wholesale of Electronic Materials
19. F219010 Retail Sale of Electronic Materials
20. E603050 Automatic Control Equipment Engineering
21. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The total reinvestment of the Company is not subject to the restriction that it may not exceed 40% of the Company's paid-in capital as stipulated in Article 13 of the Company Act.

The Company can provide guarantee externally.

Article 4: The Company has its head office in Taoyuan City. When necessary, branches may be established domestically and abroad by the resolution of the Board of Directors.

Article 5: The Company's announcement method shall be handled in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 6: The total capital of the Company is set at NT$2,000 million, divided into NT$200 million shares, each with a denomination of NT$10, issued in installments, and unissued shares are subject to actual needs by resolution of the Board of Directors.

6 million shares of the total capital in the first paragraph are reserved for the issuance of stock option certificates.

Article 7: The shares issued by the Company may be exempted from printing stocks in accordance with the Company Act, but the shares should be registered with the centralized securities depository institution. If the Company prints stocks, the stocks are all registered, signed or sealed by the directors representing the Company, and issued after obtaining a certification from a bank permitted by law for issuance and certification of stocks.

Article 8: Unless otherwise required by laws and regulations, the handling of the Company's stock affairs shall be in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies”.

Article 9: The changes to the Company's shareholder roster shall cease within 30 days before a regular shareholder meeting, within 15 days before a special shareholder meeting, or within 5 days before the base date when the Company decides to distribute dividends and bonuses or other benefits.

After public offering, the changes to the Company's shareholder roster shall cease within 60 days before a regular shareholder meeting, within 30 days before a special shareholder meeting, or within 5 days before the base date when the Company decides to distribute dividends and bonuses or other benefits.

Chapter 3 shareholder meeting

Article 10: There are two types of shareholder meeting: regular and special. The regular meeting is held once a year and shall be convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. A special meeting can be convened according to the law when necessary.

Article 11: A shareholder that will be absent at the meeting for a particular reason may appoint a proxy to attend the meeting by filling up the proxy form issued by this Company and stating the scope of the proxy’s authorization. Except as provided by Article 177 of the Company Act, shareholder proxy attendance measures shall in all cases be handled in accordance with the regulations stipulated by the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies."

Article 12: Shareholders of the Company shall have one voting right per share unless otherwise provided by laws and regulations. However, no voting rights are provided if the Company is subject to the circumstances stipulated in Article 179 of the Company Act.

Article 13: Unless otherwise required by the Company Act, a resolution in a shareholder meeting should be made with the presence of shareholders representing a majority of the total number of outstanding shares and with the consent of a majority of the voting rights of the shareholders present. In accordance with the regulations of the competent authority, the shareholders of the Company may also exercise their voting rights in writing or electronically. Shareholders who exercise their voting rights in writing or electronically are considered to be present in person, and their relevant matters shall be handled in accordance with the provisions of laws and regulations.

Article 14: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The meeting minutes may be produced and distributed in electronic form.

If the Company has a proposal to cancel a public offering in the future, this should be mentioned as a matter for resolution of the Shareholders' meeting and this provision will not be changed during the period of listing or future period of listing on the main board (over-the-counter market, emerging market board).

Chapter 4 Directors and Supervisor

Article 15: The Company is to have between nine and eleven directors. The Board of Directors shall determine the number of candidates to be elected within this range and shall adopt a candidate nomination system. The list of candidates for directors shall be selected by the Shareholders' Meeting in accordance with Article 198 of the Company Act for a term of three years and a re-election may be allowed.

The total shareholding ratio of all directors selected in accordance with the preceding paragraph shall be in accordance with the regulations of the securities regulatory authority.

From the seventh session of the Company (with comprehensive re-election in 2020), an Audit Committee has been established in accordance with Article 14-4 of the Securities and Exchange Act. Comprising all independent directors, the members of the Audit Committee shall not be less than three and the exercise of their powers and related matters shall be handled in accordance with the relevant regulations of the securities regulatory authority. The positions of supervisors were abolished on the date of the establishment of the Audit Committee, with such to be applicable when their terms of office expired in 2020.

Article 16: After a public offering of the Company, among the above-mentioned number of directors, the number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors. In addition, a candidate nomination system is adopted and the Shareholders' Meeting shall select them from the list of candidates for independent directors. Regarding independent directors' professional qualifications, shareholdings, part-time restrictions, nomination and selection methods and other compliance matters, they shall be handled in accordance with the relevant regulations of the securities regulatory authority.

Article 17: The board meeting is organized by directors and a chairperson shall be elected to represent the Company externally from among the directors by a majority vote at a meeting attended by more than two-thirds of the directors

Article 18: The convening of the Board of Directors shall be handled in accordance with Article 204 of the Company Act and the convening notice can be delivered in person, by post, by email or by fax. Except where otherwise provided by the laws and regulations, the passage of a proposal at a Board meeting shall require the approval of a majority of the directors in attendance at a Board of Directors meeting attended by a majority of all directors. When a director fails to attend the Board of Directors' meeting in person, another director may be appointed to attend the Board of Directors as a proxy in accordance with the provisions of Article 205 of the Company Act. A director who appoints another director to attend a board meeting shall in each instance shall file a proxy form stating the scope of authorization with respect to the reasons for convening the meeting.

If the Board of Directors uses a video conference when meeting, the directors who participate in the conference by video shall be deemed to be present in person.

Article19: The Company may purchase liability insurance for the directors and supervisors during their term of office for the scope of business performed by the directors and supervisors.

Article20: If the chairperson asks for leave or is unable to exercise the powers of office for some reason, his or her proxy shall handle affairs in accordance with Article 208 of the Company Act.

Article 21: With respect to the remuneration expenses of directors and supervisors of the Company, the Board of Directors is authorized to make decisions based on a director's or supervisor's degree of participation and contribution to the operations of the Company and on the agreed expenditures in line with the standard levels in the industry. Regarding the remuneration of independent directors, a reasonable remuneration different from that of non-independent directors may be determined.

Chapter 5 Managerial officer

Article 22: The Company may have a number of managerial officers whose appointment, dismissal and remuneration are governed by Article 29 of the Company Act.

Chapter 6 Accounting

Article 23: The final accounts shall be processed at the end of the year. The Board of Directors shall prepare (i) business report (ii)financial statements (iii)earnings distribution or loss off-setting proposal, present it to the shareholder meeting for ratification.

Article 24: If the Company makes a profit during the year (i.e., pre-tax profit before deducting the remuneration of employees and of directors and supervisors), no less than 2% of the current year's profit shall be allocated for employee remuneration and no more than 1.5%

shall be allocated to remuneration of directors and supervisors. However, when the Company still has accumulated losses, it should reserve the compensation amount in advance. In addition, employee remuneration can be paid in stock or cash, and the recipients may include employees of controlling or affiliated companies who meet certain conditions.

Article 24-1: If a surplus exists in the Company's yearly final accounts, taxes should first be paid to offset any prior deficits and 10% of the current surplus is to be set aside as legal reserve. In addition and in accordance with Paragraph 1, Article 41 of the Securities and Exchange Act, for net deductions in other shareholders’ equity incurred in the current year (such as exchange differences on translation of foreign financial statements, unrealized gains and losses of financial assets available for sale, benefits from hedging tools that are used in effective cash flow hedging, accumulated balance of losses, etc.) a special reserve is provided withdrawing the same amount of the current year's after-tax surplus and previous undistributed surplus. For the amount of other deductions from the shareholders’ equity accumulated in previous periods, distribution shall not be made of the same amount of special reserve from the undistributed surplus from the previous periods. If there is a subsequent reversal of the amount of deduction from the shareholders' equity, the reversed portion of the surplus may be distributed.

The dividends policy of the Company aligns with current and future development plans and considers the investment environment, capital needs and domestic and foreign competition and takes into account the interests of shareholders and other factors. No less than 20% of the available surplus shall be allocated to distribute shareholder dividends each year. However, if the cumulative distributable surplus is less than 100% of the paid-in share capital, distribution may not be made.

If all or part of the dividends and bonuses are to be distributed in cash, it shall be authorized by a resolution of the Board of Directors with at least two-thirds votes of the directors present and more than half of the attending directors in agreement and this shall be reported to the shareholders’ meeting.

Article 25: The Company shall consider the environment and growth stage of the company, respond to future capital needs and long-term financial planning and meet shareholders’ demand for cash inflows in formulating a surplus distribution plan based on the distributable surplus as stipulated in Article 24 and this shall be submitted to the Shareholders' Meeting for resolution. The total amount of cash dividends shall not be less than 10% of the total amount of dividends issued to shareholders and the maximum shall be 100%.

Chapter 7 Supplementary provisions

Artilce 26: Matters not covered in this Article of Incorporation shall be handled in accordance with the provisions of the Company Act.

Artilce 27: This Article was established on July 22, 2002.

The 1st amendment was made on May 2, 2003.

The 2nd amendment was made on July 15, 2003.
The 3rd amendment was made on Feb. 6, 2006.
The 4th amendment was made on June 21, 2006.
The 5th amendment was made on Nov. 23, 2007.
The 6th amendment was made on May 30, 2008.
The 7th amendment was made on Apr. 15, 2009.
The 8th amendment was made on Apr 30, 2010.
The 9th amendment was made on June 21, 2012.
The 10th amendment was made on June 13, 2016.
The 11th amendment was made on June 14, 2017.
The 12th amendment was made on June 19, 2019.
The 13th amendment was made on June 30, 2020.

Appendix 2

Young Fast Optoelectronics Co., Ltd.
Rules of Procedure for Shareholders Meeting

Article 1: To establish a strong governance system and sound supervisory capabilities for the corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: The rules of procedures for the corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by law or regulation, the corporation's shareholders meetings shall be convened by the board of directors.

The corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motione.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, the corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5: Principles determining the time and place of a shareholders meeting

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

Article 6: Preparation of documents such as the attendance book

The corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7: The chair and non-voting participants of a shareholders meeting

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

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

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

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

The corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8: Documentation of a shareholders meeting by audio or video

The corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10: Discussion of proposals

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11: Shareholder speech

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12: Calculation of voting shares and recusal system

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14: Election of directors and supervisors

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected, and the names of directors and supervisors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the corporation.

Article 16: Public disclosure

On the day of a shareholders meeting, the corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, the corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Maintaining order at the meeting place

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: Recess and resumption of a shareholders meeting

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 20: This Rules was established on Nov. 16, 2007.

The 1st amendment was made on June 15, 2011

The 2nd amendment was made on June 21, 2012.

The 3rd amendment was made on June 28, 2013.

The 4th amendment was made on June 18, 2015.

The 5th amendment was made on June 14, 2017.

The 6th amendment was made on June 30, 2020.

The 7th amendment was made on Aug. 3, 2021.

Appendix 3

Young Fast Optoelectronics Co., Ltd.
Corporate Social Responsibility Principles

Chapter I General Principles

Article 1: To fulfill their corporate social responsibility and to manage economic, environmental, and social advancement for purposes of sustainable development, the corporation adopt the Principles to be followed.

Article 2: In fulfilling corporate social responsibility initiatives, The corporation shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The Principles applies to the corporation, including the entire operations of each such company and its business group.

The corporation shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article 3: To implement corporate social responsibility initiatives, The corporation are advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article 4: The corporation shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 5: The corporation are advised to follow the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the Code of Ethical Conduct for TWSE/GTSM Listed Companies to establish effective corporate governance frameworks and relevant ethical standards so as to enhance corporate governance.

Article 6: The directors of the corporation shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of the corporation is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its corporate social responsibility initiatives:

1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the corporation, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 7: The corporation is advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 8: For the purpose of managing corporate social responsibility initiatives, The corporation is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The corporation is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.

Article 9: The corporation shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 10: The corporation shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable environment when engaging in business operations and internal management.

Article 11: The corporation is advised to endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 12: The corporation is advised to establish proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 13: The corporation is advised to establish a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 14: The corporation is advised to take into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 15: To improve water use efficiency, The corporation shall properly and sustainably use water resources and establish relevant management measures.

The corporation shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 16: The corporation is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

The corporation is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.
2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

The corporation is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The companies' carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 17: The corporation shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The corporation, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.

2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handing processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The corporation shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The corporation shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 18: The corporation shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the companies have business operations.

Article 19: The corporation is advised to provide safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The corporation is advised to organize training on safety and health for their employees on a regular basis.

Article 20: The corporation is advised to create an environment conducive to the development of their employees' careers and establish effective training programs to foster career skills.

The corporation shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 21: The corporation shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The corporation shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The corporation shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 21-1: The corporation is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.

Article 22: The corporation shall take responsibility for their products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of their products and services. They further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 23: The corporation shall ensure the quality of their products and services by following the laws and regulations of the government and relevant standards of their industries.

The corporation shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 24: The corporation is advised to evaluate and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The corporation is advised to provide a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection

Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 25: The corporation is advised to assess the impact their procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with their suppliers to jointly implement the corporate social responsibility initiative.

The corporation is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, The corporation is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When The corporation enter into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative impact on the environment and society of the community of the supply source.

Article 26: The corporation shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The corporation is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 27: The corporation shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles for TWSE/GTSM listed Companies and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which The corporation shall disclose includes:

3. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
4. The risks and the impact on the corporate operations and financial condition

arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.

5. Goals and measures for realizing the corporate social responsibility initiatives established by the companies, and performance in implementation.
6. Major stakeholders and their concerns.
7. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.
8. Other information relating to corporate social responsibility initiatives.

Article 28: The corporation shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of their implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.
2. Major stakeholders and their concerns.
3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.
4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 29: The corporation shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve their established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 30: This Principles was established on Mar. 25, 2013.
The 1st amendment was made on Aug. 11, 2016
The 2nd amendment was made on Mar. 25, 2020.

Appendix 4

Young Fast Optoelectronics Co., Ltd.
Procedures for the Acquisition or Disposal of Assets

Article1: Purpose

These Procedures have been specially drawn up in order to protect assets and implement information disclosures.

Article2: Legal basis

The Company has established these Procedures in accordance with Article 36-1 of the Securities and Exchange Act and the provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies " as promulgated by the Financial Supervisory Commission of the Executive Yuan.

Article3: The term "assets" as used in these Procedures includes the following:

I. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
III. Memberships.
IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
V. Right-of-use assets.
VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
VII. Derivatives.
VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
IX. Other major assets.

Article4: Terms used in these Procedures are defined as follows:

I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

VI. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing.

(I) "Within the preceding year" refers to the year preceding the date of acquisition or disposal of assets. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

(II) "Most recent financial statements" refers to financial statements that the Company has made publicly available and that have been audited, certified, or reviewed by an accountant before the acquisition or disposal of assets.

Article5: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

II. May not be a related party or de facto related party of any party to the transaction.

III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

Article6: The company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations or other Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

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

When the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article7: Regarding limits on investment in real property and right-of-use assets thereof not for business use and on marketable securities

The respective limits for the Company and its subsidiaries in acquiring the aforementioned assets are determined as follows:

I. The limits on acquiring real property and right-of-use assets thereof not for business use are as follows:
   (I) The total carrying amount of real property and right-of-use assets thereof not for business use acquired by the Company shall not exceed 50% of the Company's net value.
   (II) The total carrying amount of real property and right-of-use assets thereof not for business use acquired by a subsidiary of the Company shall not exceed 100% of the net value of each such subsidiary.

II. Limits on the acquisition of securities are as follows:
   (I) When the Company acquires securities in which the Group's companies comprehensively holds more than 50% of equity:
      1. The amount of individual marketable securities shall not exceed 80% of the net value of the Company's most recent financial statements.
      2. The aggregate amount of securities acquired shall not exceed 160% of the net value of the Company's most recent financial statements.
   (II) When the Company acquires securities not specified in item (I):
      1. The amount of individual marketable securities shall not exceed 30% of the net value of the Company's most recent financial statements.
      2. 2. The aggregate amount of securities acquired shall not exceed 80% of the net value of the Company's most recent financial statements.
   (III) The amount of individual marketable securities acquired by subsidiaries of the Company shall not exceed 150% of the net value of the most recent financial statements of each such subsidiary.
   (IV) The aggregate amount of securities acquired by subsidiaries of the Company shall not exceed 200% of the net value of the most recent financial statements of each such subsidiary.
   (V) When the Company undertakes a reorganization of the organizational structure of the Group via the Board of Directors, each affected subsidiary shall not be subject to the aforementioned limitations under (III) and (IV) during the course of said process when acquiring securities.

Article8: Procedures for acquiring or disposing of real property, equipment, or right-of-use assets

I. Appraisal and operating procedures
   The Company's acquisition or disposal of property, plant and equipment or right-of-use assets thereof shall be handled in accordance with the property, plant and equipment cycle procedures of the Company's internal control system.

II. Determination procedures of transaction term and the degree of authority delegated transaction process
   (I) In acquiring or disposing of real property or right-of-use assets thereof, reference shall be made to the announced present value, assessed value, the actual transaction prices of adjacent real estate, etc., to determine transaction conditions and the transaction price; and an analysis report shall be prepared and submitted to the Chairperson. If the amount is less than NT$20,000,000, it shall be submitted to the Chairperson for approval and afterward reported in the next upcoming meeting of

the Board of Directors; for amounts exceeding NT$20,000,000, approval of the Board of Directors shall be additionally obtained.

(II) In acquiring or disposing of equipment or right-of-use assets thereof, selection shall be made by means of inquiry, price comparison, negotiation, or bidding. If the amount is less than NT$10,000,000 (inclusive), progressive approval shall be obtained using authorized procedures. For cases exceeding NT$10,000,000, these may only be initiated after submission to the President and Chairperson for approval and to the Board of Directors for approval.

III. The units responsible for implementation

When the Company acquires or disposes of property, plant and equipment or right-of-use assets thereof, the utilizing department and management department shall be responsible for implementation following the submission for approval to the approval authority as stipulated in the preceding paragraphs.

IV. The appraisal report of real property, equipment, or right-of-use assets

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

(I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

(II) Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

(III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

(IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

1. The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 15, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

2. Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article9: Procedures for acquiring or disposing of securities

I. The means of price determination and supporting reference materials

Acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price:

(I) The acquisition or disposal of securities traded on a centralized exchange or in the business office of a securities firm shall be determined according to the prevailing market prices.

(II) For the acquisition or disposal of securities not traded on a centralized exchange or in the business office of a securities firm, reference shall be made to the most recent financial statements of the target company that have been audited, certified, or reviewed by an accountant in evaluating the transaction price before the date of fact; and consideration shall be made of its net value per share, profitability, future development potential, market interest rates, bond coupon rates, creditworthiness, and negotiations with reference to the current transaction price.

II. Appointment of experts to issue opinions

(I) If the dollar amount of the transaction for acquiring or disposing of securities is 20 percent of the company's paid-in capital or NT$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market or

1. Securities are acquired via cash investment in the initiation of establishment or solicitation of establishment in accordance with the law, and the rights obtained by the acquisition of the securities are equivalent to the proportion of shipments.
2. Participation in the subscription of securities issued by the target company in accordance with relevant laws and regulations for cash capital increase and issued at par.
3. Participation in the subscription of direct or indirect 100% investment companies to handle cash capital increase and issue securities, or 100%-owned subsidiaries participate in mutual subscription of cash capital increase and issuance of marketable securities.
4. Listed, over-the-counter and emerging securities traded on stock exchanges or the business offices of securities firms.
5. Constitutes a domestic government bond or bond under repurchase and resale agreements.
6. Public offering of fund.
7. Acquisition or disposal of listed (over-the-counter) company stocks in accordance with the listed (over-the-counter) securities bidding regulations or auction regulations of the Taiwan Stock Exchange Corporation or the Taipei Exchange.
8. Participation in domestic public offering companies with cash capital increase subscription or domestic subscription of corporate bonds (including financial bonds), and the acquired securities are not private placement securities.

9. For those subscribing for domestic private equity funds before the establishment of the fund in accordance with Article 11, Paragraph 1 of the Securities Investment Trust and Consulting Act, for or domestic private equity funds purchased or repurchased, the investment strategy stated in the trust deed is the same as the investment scope of the public fund except for securities credit transactions and unwritten securities-related commodity positions held.

or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

(II) The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 15, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

(III) Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

III. Authorization amounts and levels

(I) For the acquisition or disposal of securities traded on a centralized exchange or in the business office of a securities firm, if the transaction amount is less than NT$10,000,000 (inclusive), it shall be approved by the President; if the transaction amount ranges from more than NT$10,000,000 to NT$20,000,000 (inclusive), it shall be submitted to the Chairperson for approval; if the transaction amount exceeds NT$20 million, it shall be approved by the Board of Directors.

(II) For the acquisition or disposal of securities not traded on a centralized exchange or in the business office of a securities firm, approval shall be granted by the Board of Directors. However, the Board of Directors may authorize the Chairperson to make an internal decision for amounts within NT$20,000,000 and then report to the Board of Directors for ratification.

IV. The units responsible for implementation

The Company's acquisition and disposal of securities investments is carried out by the Department of Finance.

V. Transaction process

Regarding the transaction process of the Company's acquisition or disposal of securities, all shall be handled in accordance with the provisions of the Company's internal control system for investment cycle-related operations.

Article10: Related Party Transactions

I. When the Company engages in acquisition or disposal of assets from a related party, except in accordance with the procedures given in Articles 8, 9 and 11, and in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the regulations. Also, when judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 15, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

II. Appraisal and operating procedures

When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:

(I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

(II) The reason for choosing the related party as a transaction counterparty.

(III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 16 and Article 17.

(IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.

(V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.

(VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.

(VII) Restrictive covenants and other important stipulations associated with the transaction.

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

When the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution, and shall apply mutatis mutandis to the Article 6 paragraph 4 and paragraph 5.

IV. Assessment of reasonableness of transaction costs

(I) The company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party

of one of the transaction counterparties.

(II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

(III) The company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

(IV) Where the company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the paragraph 1 to paragraph 3, and the paragraph 4 (I)~(IV) do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

(V) When the results of the company's appraisal conducted in accordance with paragraph 4 (I) and (II) are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph 4 (VI). However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
   (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
   (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
   (3) Transactions by unrelated parties within the preceding year involving other floors of the same property, where the transaction terms are estimated to be equivalent after calculation of reasonable price discrepancies in floor price in accordance with standard leasing practices.
2. Where a public company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by

unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

(VI) Where the company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the paragraph 4 (I)~(V) are uniformly lower than the transaction price, the following steps shall be taken. In addition, if the Company and public companies that use the equity method to evaluate the Company's investments have set aside special reserves in accordance with the aforementioned provisions, they may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its approval.

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Act, the preceding part of this subparagraph shall apply mutatis mutandis to the independent director members of the audit committee.
3. Actions taken pursuant to the paragraph 4 (VI) 1 and 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

(VII) When the company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the paragraph 4 (VI), if there is other evidence indicating that the acquisition was not an arms length transaction.

(VIII) Among companies in the Group where the Company holds more than 50% of total shares, when acquiring or disposing of machinery and equipment for business use or right-to-use assets thereof and real property right-to-use assets for business use, the amount shall be submitted to the Chairperson for approval within an equivalent limit of NT$100 million.

Article11: Procedures for acquiring or disposing of intangible assets or right-of-use assets thereof or memberships

I. Appraisal and operating procedures

The Company's acquisition or disposal of intangible assets or right-of-use assets thereof or memberships shall be handled in accordance with the fixed asset cycle procedures of the Company's internal control system.

II. Determination procedures of transaction term and the degree of authority delegated transaction process

(I) In acquiring or disposing of right-of-use assets or memberships, reference shall be made to fair market prices to determine transaction conditions and the transaction price; and an analysis report shall be prepared and submitted to the President and Chairman. If the amount is less than 1% of paid-in capital or less than NT$3,000,000, it shall be submitted to the President and the Chairperson for approval and afterward reported in the next upcoming meeting of the Board of Directors; for amounts exceeding NT$3,000,000, approval of the Board of Directors shall be additionally obtained.

(II) In acquiring or disposing of intangible assets, reference shall be made to expert evaluation reports or to fair market prices to determine transaction conditions and the transaction price; and an analysis report shall be prepared and submitted to the Chairperson. If the amount is less than 10% of paid-in capital or less than NT$20,000,000, it shall be submitted to the Chairperson for approval and afterward reported in the next upcoming meeting of the Board of Directors; for amounts exceeding NT$20,000,000, approval of the Board of Directors shall be additionally obtained.

(III) The company shall establish its procedures for the acquisition or disposal of assets in accordance with the provisions of these Regulations or other Regulations. After the procedures have been approved by the board of directors, they shall be submitted to each supervisor, and then to a shareholders' meeting for approval; the same applies when the procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

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

When the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution, and shall apply mutatis mutandis to the Article 6 paragraph 4 and paragraph 5.

III. The units responsible for implementation

When the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships, the utilizing department and Department of Finance or Administration Department shall be responsible for implementation following the submission for approval to the approval authority as stipulated in the preceding paragraphs.

IV. The appraisal report from a professional appraiser of intangible assets or right-of-use assets thereof or memberships

(I) In acquiring or disposing of right-of-use assets or memberships thereof where the transaction amount reaches 1 percent of the company's paid-in capital or NT$3 million or more, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser.

(II) In acquiring or disposing of intangible assets thereof where the transaction amount reaches 10 percent of the company's paid-in capital or NT$20 million or more, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser.

(III) Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

(IV) The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 15, paragraph 1 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

(V) Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article12: Procedures for acquiring or disposing of claims of financial institutions

In principle, the Company does not engage in transactions to acquire or dispose of claims of financial institutions. If it intends to engage in transactions to acquire or dispose of claims of financial institutions in the future, it will report to the Board of Directors for approval before formulating its evaluation and operating procedures.

Article13: Procedures for Engaging in Derivatives Trading

I. Trading principles and strategies

(I) The types of derivatives

1. The company engaging in derivatives trading refer to Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Matters related to bond margin trading shall be handled in accordance with the relevant provisions of these Procedures. The provisions of these Procedures may not apply to bond transactions having repurchase conditions.

(II) Operating or hedging strategies

The Company engages in derivative transactions for hedging purposes. Trading commodities shall be selected to avoid the risk arising from the Company's business operations or from special purpose transactions, and currencies held shall align with the Company's actual foreign currency needs. This is based on the principle of self-balancing among the overall Company's internal components (referring to foreign currency income and expenses) in order to reduce the foreign exchange risk of the Company as a whole and save foreign exchange operating costs. Non-hedging transactions shall be carefully evaluated and submitted to the Board of Directors for approval.

(III) segregation of duties

1. Department of Finance

(1) Trader

After collecting market information, conducting analysis, and undertaking evaluation and risk assessment, an operating strategy will be formulated that is to be used as a basis for engaging in transactions after being approved by the responsible supervisor.

(2) Validating personnel

Check whether transactions are conducted according to authorized scope of authority and established policies and conduct transaction confirmations.

(3) Delivery personnel

Responsible for account opening and delivery tasks before trading.

2. Department of Account

(1) Accountant

A. Create and record accounting subpoenas in accordance with the transaction list of the financial unit transaction personnel and the Bulletin of Accounting Principles and Standards. (The presence of special commodities requires consultation with a CPA.)

B. At the end of period settlement of profit and loss (monthly, quarterly, semi-annual, or annual), items under the same subject (such as exchange profits and losses) shall separately list the respective profits and losses of the hedged target and the hedged transaction, as well as the total net profit and loss, and the profit and loss of the non-hedged transaction shall be listed separately.

C. The disclosure of derivative transactions in financial reports (quarterly, semi-annual, or annual) shall comply with the relevant accounting standards and financial reporting standards issued by the Financial Supervisory Commission followed by these Procedures.

D. Reports and announcements are to be made in accordance with the regulations of the Financial Supervisory Commission of the Executive Yuan.

(2) Delivery personnel: performance of delivery tasks.

3. Derivative verification authority

(1) Approval authority for hedging transactions: All derivative transactions shall be approved by the Chairperson.

(2) Non-hedging transactions may only be undertaken after submission to the Board of Directors for approval.

4. Department of Audit

Responsible for understanding the adequacy of internal controls for derivatives trading, checking the trading department's compliance with the operating procedures, analyzing the trading cycle, making audit reports, and reporting to the Board of Directors when there are major deficiencies.

5. Performance evaluation

(1) Hedge trades

A. Performance evaluation is based on the exchange rate costs on the Company's books and on the gains and losses arising from engaging in derivative transactions.

B. In order to fully grasp and express transaction valuation risks, the Company adopts a monthly valuation method to evaluate profits and losses.

C. The Department of Finance shall provide the President with foreign exchange position evaluation, foreign exchange market trends, and market analysis for the sake of management reference and instruction.

(2) Non-hedge trades

Performance evaluation is to be based on actual profits and losses, and accountants shall regularly prepare reports for the management level.

6. Total amount of derivatives contracts that may be traded, and the maximum loss

limit on total trading and for individual contracts

(1) Total amount of derivatives contracts

A. Quota of hedge trades

For the total amount of the Company's overall hedging contracts at any point in time, the cumulative total outstanding contract balance shall not exceed 50% of the Company's current net value.

B. Quota of non-hedge trades

Based on forecast changes in the market, the Department of Finance may formulate strategies as needed and submit them to the President and the Chairperson for approval before proceeding. The total contractual amount of the Company's net accumulated position in special purpose transactions of the Company is limited to US$10 million. Exceeding the above amount shall be approved by the Board of Directors and can only be done in accordance with policy instructions.

(2) The maximum loss limit

A. The maximum contract loss limit for hedging transactions shall not exceed 10% of the contract amount, applicable to individual contracts and contracts overall.

B. If it is a non-hedging trading contract, then after the position is established a stop loss point shall be set to prevent excess losses. The setting of the stop loss point shall not exceed 10% of the transaction contract amount as the upper limit.

C. If drastic short-term changes in the financial environment make it impossible to execute the stop-loss operation and the loss amount exceeds the upper limit specified above, the President and the Chairman shall be immediately informed to facilitate necessary countermeasures, and a relevant review report shall be submitted to the next Board of Directors meeting.

II. Risk management measures

(I) The scope of Risk Management

1. Credit risk - Transaction counterparties shall be domestic and foreign financial institutions having good credit and that can provide professional information as a principle. The finance supervisor shall be responsible for controlling transaction limits of financial institutions, and they shall not be excessively concentrated. In accordance with changes in market conditions, the transaction limits of financial institutions can be adjusted at any time.
2. Market risk - Choose markets where quotation information can be fully disclosed.
3. Liquidity risk - To ensure liquidity, trading financial institutions shall have sufficient equipment, information and trading capabilities, and be able to trade in any market.
4. Cash flow risk - In order to ensure the stability of the Company's working capital turnover, the Company's funds for derivatives trading shall consider the source of funds for future performance.
5. Operational risk - The authorization limits, operating procedures and other regulations set by the Company shall be strictly followed to avoid operational risks.
6. Legal risk - Any documents and contracts signed with financial institutions shall be reviewed by legal personnel in advance, and the senior executives who authorize the contract shall make final recommendations before they can be formally signed to avoid legal risks.

(II) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

(III) Risk measurement, monitoring, and control personnel shall be in department of Account and assigned to a different department that the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.

(IV) Positions held by the derivatives exchange shall be periodically evaluated in accordance with the provisions of Paragraph 4, Subparagraph 2 of this Article.

III. Internal audit system

Internal auditors shall regularly understand the appropriateness of the internal controls for derivatives transactions. Furthermore, they shall audit the transaction department's compliance with the Procedures for engaging in derivative transactions on a monthly basis, and prepare an audit report. If any major violation is found, the supervisor shall be notified in writing and independent directors shall be notified in writing.

If the Company has established an audit committee in accordance with the provisions of this Act, provisions for supervisors in the preceding paragraph shall apply mutatis mutandis to the audit committee.

IV. Regular evaluation methods and the handling of irregular circumstances.

(I) The Board of Directors shall authorize senior executives to regularly supervise and evaluate whether derivative transactions are conducted in accordance with the transaction procedures set forth by the Company, and whether the risks borne are within the allowable scope. When there is an abnormal situation in the market price assessment report (e.g., the position held has exceeded the loss limit), such shall be immediately reported to the Board of Directors and appropriate measures taken.

(II) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

V. Board of directors shall faithfully supervise and manage when Engaging in derivatives trading

(I) Where the company engaging in derivatives trading, board of directors shall faithfully supervise and manage such trading in accordance with the following principles

1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

(II) Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the " Regulations Governing the Acquisition and Disposal of Assets by Public Companies " as promulgated by the Financial Supervisory Commission of the Executive Yuan and the procedures for engaging in derivatives trading formulated by the company.
2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

(III) A company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivates trading in accordance with its Procedures for Engaging in Derivatives Trading.

VI. The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 2 of paragraph 4, subparagraph 1 (2) and 2 (1) of paragraph 5, shall be recorded in detail in the log book.

Article14: Procedures for Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

I. Decision method and reference basis for transaction consideration

When the Company conducts a merger, demerger, acquisition, or share transfer, it shall comprehensively consider the past and future financial and business conditions of the participating companies, the expected future benefits, and the fair manner in which the market determines the transaction price. Furthermore, it shall consult the professional opinions of accountants, lawyers, or securities underwriters, and negotiate the price with the counterparty participating in the merger, demerger, acquisition, or share transfer.

II. Appointment of experts to issue opinions

The company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

III. Decision hierarchy

When the Company handles mergers, demergers, acquisitions, or share transfers, its resolutions shall be handled in accordance with the provisions of the Company Act and relevant laws and regulations.

IV. Submission of relevant information and disclosure of information when it cannot be approved by the Shareholders' Meeting

(I) A public company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

(II) Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

V. Date of convene a board of directors meeting and shareholders meeting

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

(II) The company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

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

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

(IV) When participating in a merger, demerger, acquisition, or transfer of another company's shares, the company shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

VI. Confidentiality obligations and prevention of insider trading

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

VII. Principles for changes in share exchange ratio or purchase price

The company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

(I) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.

(II) An action, such as a disposal of major assets, that affects the company's financial operations.

(III) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

(IV) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.

(V) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

(VI) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

VIII. Matters to be stipulated in contracts

The contract for participation by the company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

(I) Handling of breach of contract.

(II) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

(III) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

(IV) The manner of handling changes in the number of participating entities or companies.

(V) Preliminary progress schedule for plan execution, and anticipated completion date.

(VI) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

IX. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

X. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of the paragraph5, paragraph 6 and paragraph 9.

Article15: Procedures for public disclosure of information

I. Items to be publicly announced and reported, and standards for public announcement and reporting

(I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(II) Merger, demerger, acquisition, or transfer of shares.

(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.

(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:

1. For a public company whose paid-in capital is less than NT$10 billion, the transaction amount reaches NT$500 million or more.
2. For a public company whose paid-in capital is NT$10 billion or more, the transaction amount reaches NT$1 billion or more.

(V) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT$500 million; among such cases, if the public company has paid-in capital of NT$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT$1 billion or more.

(VI) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT$500 million.

(VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT$300 million; provided, this shall not apply to the following circumstances:

1. Trading of domestic government bonds.
2. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.
3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

II. Time limits for public announcement and reporting

When assets are acquired or disposed of by the Company, if there are items that shall be announced in as per Paragraph 1 of this Article and the transaction amount reaches the standards that shall be announced and reported as per this Article, announcement and reporting shall be made within 2 days of the date of occurrence in accordance with in its nature and the prescribed format.

III. Announcement and reporting procedures

(I) The Company shall submit relevant information to the website designated by the Financial Supervisory Commission of the Executive Yuan for announcement and reporting.

(II) The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

(III) When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

(IV) The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

(V) Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the paragraph 1, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

(VI) Information required to be publicly announced and reported in accordance with the provisions of the paragraph 1 on acquisitions and disposals of assets by the company's subsidiary that is not itself a public company in Taiwan shall be reported by the company.

The paid-in capital or total assets of the company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under paragraph 1.

(VII) For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

In the case of a company whose shares have no par value or a par value other than NT$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Procedures, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Procedures regarding transaction amounts relative to paid-in capital of NT$10 billion, NT$20 billion of equity attributable to owners of the parent shall be substituted.

Article16: Procedures for the Acquisition or Disposal of Assets by Subsidiaries

I. The Company shall urge all subsidiaries to formulate procedures for acquiring or disposing of assets in accordance with the Guidelines for the Acquisition or Disposal of Assets by Public Offering Companies as promulgated by the Financial Supervisory Commission. After being approved by the board of directors of each subsidiary, they shall be submitted to the shareholders' meetings of each subsidiary for approval, and the same shall apply to amendments thereof.

II. Internal auditors of the Company should prepare audit reports in accordance with the annual audit plan regarding the compliance of subsidiaries' procedures for loans of funds to others. If deficiencies are found, the subsidiary under investigation shall be notified to improve and follow-up reports shall be regularly prepared and submitted to the Chairman, independent directors, and Audit Committee.

Article17: Penalty

In the acquisition or disposal of assets by the relevant personnel of the Company, if there is a violation of the Guidelines for the Acquisition or Disposal of Assets by Public Offering Companies of the Financial Supervisory Commission, or of the Company's Procedures for the Acquisition or Disposal of Assets, then disciplinary action shall be meted out according to the severity of the circumstances and in accordance with regular submission and assessment stipulate by the payroll cycle of the internal control system.

Article18: Enforced and amendment

In formulating the Procedures for the Acquisition or Disposal of Assets and submitting them to the Board of Directors for discussion, the Company shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, this shall be sent to supervisors and submitted to the Shareholders' Meeting for approval; and the same shall apply for amendments. If any director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

Where an audit committee has been established in accordance with the provisions of the Act, when the procedures for the acquisition and disposal of assets are adopted or amended they shall be approved by one-half or more of all audit committee members and submitted to the board of directors for a resolution.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article19: Supplementary provisions

If there are any issues that are not covered in these Procedures, they are to be handled in accordance with relevant laws and regulations.

Article20: This Procedures was established on Nov. 16, 2007.

The 1st amendment was made on Jun. 15, 2011.
The 2nd amendment was made on Jun. 21, 2012.
The 3rd amendment was made on Jun. 27, 2014.
The 4th amendment was made on Jun. 14, 2017.
The 5th amendment was made on Jun. 19, 2019.
The 6th amendment was made on Jun. 30, 2020.

Appendix 5

Remuneration for employees and directors

Unit:NTD

Item	Amount distributed proposed by Board of Directors (A)	The estimated figure for the fiscal year (B)	Discrepancy (A-B)
Employee compensation	6,352,956	6,352,956	0
Directors and supervisors compensation	4,622,977	4,764,717	(141,740)

Appendix 6

Directors' shareholding

1. The total issued capital stock of the Company is 151,327,600 shares.

2. According to Article 26 of the Securities and Exchange Act:
   The minimum number of shares that all directors should hold is 9,079,656 shares.

The number of shares held by all directors of the Company as recorded in the shareholder roster on the date for suspension of share transfer for the 2022 regular shareholder meeting

Tltle	Name	Sharesholding
Chairperson	Chihchiang Pai	137,245
Director	Soy Young Enterprise Co., Ltd.	29,761,114
Director	Hold-Key Electric Wire & Cable Co., Ltd.	20,414,832
Director	Yichuan Hsu	1,820
Director	Fengyu Ho	512
Director	Menggui Lin	0
Independent director	Chengkun Kuo	0
Independent director	Wenxiu Zhang	0
Independent director	Xiege Hao	0
Total		50,315,523