

TEX YEAR INDUSTRIES INC
2022 Annual General Shareholders' Meeting
(Translation)

Note to Readers : 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-language version shall prevail.

Date: Monday, June 27, 2022

Time: 9:30 a.m. Taipei time

Place: 4F., No. 9, Wuquan 6th Rd., New Taipei Industrial Park, New Taipei City, Taiwan
(Meeting Room on the 4th Floor of the Company).

Shareholders present:

59,554,490 shares were represented by the shareholders and proxies present (including 48,260,945 shares represented by shareholders executing voting rights through e-voting), which amounted to 57.74% of the Company's 103,135,059 issued and outstanding shares.

Chairman: Mr. Donald Hsiao

Recorder: Ms. Shinh-han Hsu

Attendance:

Directors: Mr. Donald Hsiao, Mr. J.T.Hsiao, Mr. Chih-Hung Lai

Independent Director: Mr. Chung-Ping Wang, Mr. Wen-Pin Weng

Supervisor: Mr. Yung-Tien Li

Mr. Roger Kao (Chief Financial Officer)

Ms. Chuang, Pi-Yu (Deloitte & Touche, Accountant)

1. Chairman of the Meeting announced that the aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

2. Chairman's address (Omitted)

3. Report Items

(1). The Company's 2021 Business Report, please kindly review.

Explanation: 2021 Business Report is attached as Attachment 1

(2). 2021 Supervisors' Examination Report, please kindly review.

Explanation: 2021 Supervisors' Examination Report is attached as Attachment 2.

(3). Report of the distribution of directors' and supervisors' remuneration and employee compensation for 2021, please kindly review.

Explanation:

- i. The Company's distribution of directors' and supervisors' remuneration and employee compensation for 2021 was approved in the Board of Directors' meeting on March 29, 2022 and will be distributed in cash.
- ii. The directors' and supervisors' remuneration and employee compensation are NT\$800,000 and NT\$2,275,076, respectively.

(4). Report of implementation status of domestic convertible bonds issued in 2019, please kindly review.

Explanation: In order to repay the principal due on the first domestic secured convertible bond and bank loans, the Company issued the second secured and third unsecured convertible bonds in 2019, and the issuance terms are as follows:

Type of issuance	Second domestic secured convertible bond in 2019
Issue amount	NT\$200 million
Denomination	NT\$100,000
Bond interest rate	Coupon rate 0%
Issue period	5 years from October 23, 2019 to October 23, 2024
Conversion status	As of the end of February 2022, 485 units were converted into 3,299,300 common shares.
Conversion Price	Since September 15, 2021, the conversion price has been adjusted to NT\$14.7 from NT\$15.4.

Type of	Third domestic unsecured convertible bond in 2019
Issue amount	NT\$100 million
Denomination	NT\$100,000
Bond interest	Coupon rate 0%
Issue period	3 years from October 24, 2019 to October 24, 2022
Conversion status	As of the end of February, 2022, 918 units were converted into 6,624,168 common shares.
Conversion Price	Since September 15, 2021, the conversion price has been adjusted to NT\$13.4 from NT\$14.0.

(5). Amendments to part of the “Rules of Procedure for Board Meetings”, please kindly review.

Explanation: In alignment with laws and regulations and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed to amend the Company’s “Rules of Procedure for Board Meetings”, and please refer to Attachment 5 for the comparison table.

(6). Renaming of and amendments to the “Code of Ethical Conduct for Directors, Supervisors and Managers”, please kindly review.

Explanation: In alignment with laws and regulations and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed to rename the “Code of Ethical Conduct for Directors and Managers” and amend part of the “Code of Ethical Conduct for Directors and Managers”, and please refer to Attachment 6 for the comparison table.

(7). Amendments to part of the “Procedures for Ethical Management and Guidelines for Conduct”, please kindly review.

Explanation: In alignment with laws and regulations and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed amend the Company’s “Procedures for Ethical Management and Guidelines for Conduct”, and please refer to Attachment 7 for the comparison table.

4. Recognition Items

(1). 2021 business report and financial statements, acknowledgment is respectfully requested.

Explanation:

- i. The Company's 2021 consolidated financial statements and individual financial statements, which have been audited by CPAs, Chuang, Pi-Yu and Chien, Ming-Yen of Deloitte Taiwan, together with the business report, were approved by the board of directors, submitted to and examined by supervisors with the examination report.
- ii. For the Company's 2021 Business Report and financial statements, please refer to Attachment 1, Attachment 3 and Attachment 4.
- iii. Acknowledgment is respectfully requested.

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Proportion to the total represented shares present
Votes in favor : 59,358,207 votes (including e-voting : 48,168,662 votes)	99.67%
Votes in against: : 13,127 votes (including e-voting : 13,127 votes)	0.02%
Votes in invalid : 183,156 votes (including e-voting : 79,156 votes)	0.30%
Votes abstained : 0 votes	0.00%

RESOLVED, the proposal was 99.67% of the votes in favor represented by the shareholders present, and the "2021 business report and financial statements" be and hereby were accepted as submitted.

(2). 2021 earnings distribution plan, acknowledgment is respectfully requested.

Explanation:

- i. The Company's 2021 earnings distribution plan was approved in the Board of Directors meeting on March 29, 2022, and the proposed earnings distribution plan in compliance with the Articles of Incorporation is as follows:

The 2021 profit allocation proposal	(Unit: NT\$)
Unappropriated earnings of previous years	\$ 8,375,266
Adjustments due to changes in other comprehensive income	922,550
Net income of 2021	<u>28,877,310</u>
Earnings available for distribution as of 31 December 2021	38,175,126
Legal reserve	(2,979,986)
Special reserve	(7,868,844)
Distribution item:	
Shareholders' dividend (NT\$ 0.2/share in cash)	<u>(20,627,012)</u>
Unappropriated earnings	<u><u>\$ 6,699,284</u></u>

- (I) If there is any surplus in the annual financial statements, in addition to the tax payment, the Company shall first make up for the previous years' deficits and then set aside 10% of the legal reserve as legal reserve, provided that if the legal reserve has reached the amount of paid-in capital, it may not be set aside. After the special reserve has been appropriated or reversed in accordance with the law, it shall be retained or distributed together with the accumulated undistributed earnings of previous years by resolution of the shareholders' meeting.
- (II) For the 2021 earning distribution, it is intended to provide NT\$ 20,627,012, to distribute cash dividends NT\$0.2 per share, based on the paid-in capital at the end of February 2022.
- (III) It is requested the ratification and passage of the shareholders' meeting, and authorize the Chairman to determine the dividend distribution date, payment day, and other related matters, including that the cash dividends are calculated based on the shareholding proportionally, and rounded up to NT\$1. The fractional amount is adjusted from the dismal number and the account number in descending power, until meeting the total amount of cash dividends.
- (IV) In case where the buyback of the shares, transfer or cancellation of treasury shares, conducting cash capital increase, or exercise of employees' subscription warrant or convertible corporate bonds for common share conversion, and thus the number of outstanding shares changes, and the shareholder's yield changes as well, it is intended to request the shareholders' meeting to authorize the board of directors to handling the matters related to such changes with full power.

- ii. Acknowledgment is respectfully requested.

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Proportion to the total represented shares present
Votes in favor : 59,358,207 votes (including e-voting : 48,168,662 votes)	99.67%
Votes in against: : 13,127 votes (including e-voting : 13,127 votes)	0.02%
Votes in invalid : 183,156 votes (including e-voting : 79,156 votes)	0.30%
Votes abstained : 0 votes	0.00%

RESOLVED, the proposal was 99.67% of the votes in favor represented by the shareholders present, and the proposal for “2021 earnings distribution plan” be and hereby was accepted as proposed.

5. Discussion Items I

(1). Amendments to part of the “Articles of Incorporation”, please kindly discuss.

Explanation:

- i. In alignment with amendments to the Company Act and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed to amend the Company’s “Articles of Incorporation”, and please refer to Attachment 8 for the comparison table.
- ii. Please kindly discuss.

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Proportion to the total represented shares present
Votes in favor : 59,363,207 votes (including e-voting : 48,173,662 votes)	99.67%
Votes in against: : 10,127 votes (including e-voting : 10,127 votes)	0.01%
Votes in invalid : 181,156 votes (including e-voting : 77,156 votes)	0.30%
Votes abstained : 0 votes	0.00%

RESOLVED, the proposal was 99.67% of the votes in favor represented by the shareholders present, and the proposal for the amendments to “Amendments to part of the Articles of Incorporation” be and hereby was accepted as proposed.

(2). Amendments to part of the “Rules of Procedure for Shareholders Meetings”, please kindly discuss.

Explanation:

- i. In alignment with amendments to the Company Act and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed to amend the Company’s “Rules of Procedure for Shareholders Meetings”, and please refer to Attachment 9 for the comparison table.
- ii. Please kindly discuss.

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Proportion to the total represented shares present
Votes in favor : 59,363,207 votes (including e-voting : 48,173,662 votes)	99.67%
Votes in against: : 10,127 votes (including e-voting : 10,127 votes)	0.01%
Votes in invalid : 181,156 votes (including e-voting : 77,156 votes)	0.30%
Votes abstained : 0 votes	0.00%

RESOLVED, the proposal was 99.67% of the votes in favor represented by the shareholders present, and the proposal for the amendments to “Amendments to part of the Rules of Procedure for Shareholders Meetings.” be and hereby was accepted as proposed.

(3). Renaming of and amendments to part of the “Procedures for Election of Directors and Supervisors”, please kindly discuss.

Explanation:

- i. In alignment with laws and regulations and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed to rename the Procedures “Procedures for Election of Directors” and amend part of the Procedures, and please refer to Attachment 10 for the comparison table.
- ii. Please kindly discuss.

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Proportion to the total represented shares present
Votes in favor : 59,363,207 votes (including e-voting : 48,173,662 votes)	99.67%
Votes in against: : 10,127 votes (including e-voting : 10,127 votes)	0.01%
Votes in invalid : 81,156 votes (including e-voting : 77,156 votes)	0.30%
Votes abstained : 0 votes	0.00%

RESOLVED, the proposal was 99.67% of the votes in favor represented by the shareholders present, and the proposal for the amendments to “Renaming of and amendments to part of the Procedures for Election of Directors and Supervisors” be and hereby was accepted as proposed.

(4). Amendments to part of the Company's "Procedures for Acquisition or Disposal of Assets", please kindly discuss.

Explanation:

- i. In alignment with laws and regulations and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed to amend the Company's "Procedures for Acquisition or Disposal of Assets", and please refer to Attachment 11 for the comparison table.
- ii. Please kindly discuss.

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Proportion to the total represented shares present
Votes in favor : 59,363,207 votes (including e-voting : 48,173,662 votes)	99.67%
Votes in against: : 10,127 votes (including e-voting : 10,127 votes)	0.01%
Votes in invalid : 181,156 votes (including e-voting : 77,156 votes)	0.30%
Votes abstained : 0 votes	0.00%

RESOLVED, the proposal was 99.67% of the votes in favor represented by the shareholders present, and the proposal for the amendments to "Amendments to part of the Company's Procedures for Acquisition or Disposal of Assets" be and hereby was accepted as proposed.

(5). Amendments to the "Procedures for Lending Funds to Others", please kindly discuss.

Explanation:

- i. In alignment with laws and regulations and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed to amend the Company's "Procedures for Lending Funds to Others", and please refer to Attachment 12 for the comparison table.
- ii. Please kindly discuss.

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Proportion to the total represented shares present
Votes in favor : 59,363,207 votes (including e-voting : 48,173,662 votes)	99.67%
Votes in against: : 10,127 votes (including e-voting : 10,127 votes)	0.01%
Votes in invalid : 181,156 votes (including e-voting : 77,156votes)	0.30%
Votes abstained : 0 votes	99.67%

RESOLVED, the proposal was 99.67% of the votes in favor represented by the shareholders present, and the proposal for the amendments to "Amendments to the "Procedures for Lending Funds to Others" be and hereby was accepted as proposed.

(6). Amendments to the “Regulations Governing Endorsements and Guarantees”, please kindly discuss.

Explanation:

- i. In alignment with laws and regulations and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed to amend the Company’s “Regulations Governing Endorsements and Guarantees”, and please refer to Attachment 13 for the comparison table.
- ii. Please kindly discuss.

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Propotion to the total represented shares present
Votes in favor : 59,363,207 votes (including e-voting : 48,173,662 votes)	99.67%
Votes in against: : 10,127 votes (including e-voting : 10,127 votes)	0.01%
Votes in invalid : 181,156 votes (including e-voting : 77,156votes)	0.30%
Votes abstained : 0 votes	0.00%

RESOLVED, the proposal was 99.67% of the votes in favor represented by the shareholders present, and the proposal for the amendments to “Amendments to the “Regulations Governing Endorsements and Guarantees” be and hereby was accepted as proposed.

(7). Amendments to the “Procedures for Engaging in Derivative Transactions”, please kindly discuss.

Explanation:

- i. In alignment with laws and regulations and that the Company will establish an Audit Committee in replacement of Supervisors after the election in the 2022 shareholders meeting, it is proposed to amend the Company’s “Procedures for Engaging in Derivative Transactions”, and please refer to Attachment 14 for the comparison table.
- ii. Please kindly discuss.

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Propotion to the total represented shares present
Votes in favor : 59,363,209 votes (including e-voting : 48,173,664 votes)	99.67%
Votes in against: : 10,127 votes (including e-voting : 10,127 votes)	0.01%
Votes in invalid : 181,154 votes (including e-voting : 77,154votes)	0.30%
Votes abstained : 0 votes	0.00%

RESOLVED, the proposal was 99.67% of the votes in favor represented by the shareholders present, and the proposal for the amendments to “Amendments to the “Procedures for Engaging in Derivative Transactions” be and hereby was accepted as proposed.

6. Election Items

(1). Election of directors, please kindly discuss.

Explanation:

- i. The Company's 16th term of directors and supervisors will expire on June 23, 2022, it is proposed to hold the election in this general meeting of shareholders. Pursuant to Article 195 of the Company Act, in case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office.
- ii. According to Article 13 of the Articles of Incorporation, it is proposed to elect 11 directors, including 4 independent directors, and the newly elected 17th term of directors will assume office immediately after the general shareholders meeting with a term of office of three years from June 27, 2022 to June 26, 2025, effective since the date being elected. The term of office of outgoing-directors ends upon the adjournment of this general shareholders meeting.
- iii. The four independent directors elected will form the Audit Committee and take over the duties and obligations of supervisors in accordance with Article 14-4 of the Securities and Exchange Act.

The list of candidates is as follows:

List of director candidates:

Title	Stock Account Number	List of director candidates	Education	Experience	Current job	Shareholding
Director	37	Donald Hsiao	B.S. degree, Department of Chemistry, National Tsing Hua University	General Manager of Tex Year Fine Chemical Co., Ltd. General Manager of Tex Year (Hong Kong) Ltd. Chairman of Wuxi More Tex Technology Co.	Chairman and Chief Executive Officer of Tex Year Industries Inc. Chairman of Wuxi Tex Year International Trading Co., Ltd Director of Tex Year Europe Sp.z o. o. Chairman of Tex Year Minima Technology Inc. Tsing Hua Entrepreneur Network (TEN)- Taipei Branch Convenor Taiwan Synthetic Resins & Adhesives Industrial Association- executive director	5,088,681

Title	Stock Account Number	List of director candidates	Education	Experience	Current job	Shareholding
Director	1	J.T.Hsiao	Bachelor's degree in commerce, National Taiwan University	Chairman of Tex Year Fine Chemical Co., Ltd. President, Tex Year Social Welfare Promotional Association (Taiwan)	Director, Tex Year Industries Inc.	16,237,570
Director	6933	Li-Hung Huang	M.S., Institute of Forestry, National Taiwan University	Director of The Chinese Forest Products Association	Chairman of Wood Glue Industrial Co., Ltd.	3,072,340
Director	4065	Chih-Hung Lai	Master's Degree, Department of International Business, University of Wolverhampton, U.K.	Director of National Petroleum Co., Ltd.	General Manager of Vic Hung Petroleum Chemical Co., Ltd. Chairman of Dehong International Biotech Co., Ltd.	2,994,214
Director	6097	Adhesive Technologies, Inc.	MBA from Amos Tuck School of Finance	Adhesive Technologies, Inc. President	Adhesive Technologies, Inc. President	2,538,051
Director	3665	Cheng-Jen Chen	M.S., Kaohsiung University	General Manager, Taicera Enterprise Co., Ltd., Vietnam	Chairman, Taicera Enterprise Co., Ltd., Vietnam	1,321,823
Director	24252	Ming-Chun Tsai	National Taipei Institute of Technology	Sales Manager, Yuan Sin Industry Co., Ltd. Manager of Domestic Sales Department, Texmen Enterprises Corp.	Chairman, Dah Chemg Stationery Co., Ltd. Director, Texmen Enterprises Corp.	366,986
Independent Director	-	Chung-Ping Wang	Ph.D. in Accounting, Jinan University, Guangzhou Masters' Degree in Business Administration, Soochow University	Director, Addcn Technology Co., Ltd. Director, Humanistic Education Foundation Juristic-person supervisor representative, Element I Venture Capital Co., Ltd.	Partner, Jia Wei & Co., CPAs	0

Title	Stock Account Number	List of director candidates	Education	Experience	Current job	Shareholding
Independent Director	7133	Tsai-Wei Tseng	Visiting Researcher and Visiting Scholar, University of Texas at Austin, U.S. Master's Degree, Department of Chemistry, Tsing Hua University Bachelor's Degree, Department of Chemistry, Tamkang University	Supervisor, Specialty Polymer Division, Chemical Research Laboratories, Industrial Technology Research Institute General Manager, Covestro Resins (Taiwan) Ltd. Chairman, JPT Corporation	General Manager, JPT Corporation	318,286
Independent Director	-	Wen-Pin Weng	Master and Ph. D., Department of Materials Science and Engineering, National Taiwan University Masters' Degree, Graduate Institute of Management, National Taiwan University Bachelor in Science and Technology, National Cheng Kung University	Director, Department of Chemical and Materials Engineering, Lunghwa University of Science and Technology Deputy Director, Office of Research and Development, Lunghwa University of Science and Technology Independent Director, Long Time Technology Corp.	Associate Professor, Department of Chemical and Materials Engineering, Lunghwa University of Science and Technology	0
Independent Director	-	Shu-Chuan Lin	Master's Degree, School of Law, National Chiao Tung University	Attorney, Patent Attorney, and Arbitrator of Lin & Associates, Maritime Law Office	Senior Partner, Dentons Taiwan	0

Reason to nominate the directors who have served for consecutive three terms of office:

- Mr. Chung-Ping Wang has served as an independent director of the Company for more than three terms. Considering his qualifications as an accountant, work experience in the professional field of financial accounting and expertise in governance, he is of great benefit to the Company. The company provides important suggestions and board supervision opinions on the operation management of the company. Therefore, Mr. Chung-Ping Wang is still listed as one of the candidates for independent

director this time, so that he can still exert his expertise and provide professional opinions on board supervision when exercising his duties as an independent director.

- Mr. Wen-Pin Weng has served as an independent director for more than three terms of office; however, taking into considerations that he has the qualifications of sustainable development carbon management administrator and sustainable development energy and resources administrator, and has the expertise and experience in chemical engineering and material engineering related fields; it is obvious he is helpful to the Company. For many years, he also has furnished important advices to the Company's operation and management, and supervision to the board of directors. Therefore, he is again nominated as the candidate of independent director this time, to enable him exert his expertise and provide the professional advices to supervise the board of directors in the future.

iv. Please Vote.

Voting Results:

Newly elected Directors (including Independent Directors) list and votes received

Title	Stock Account Number	List of director candidates	Shareholding
Director	37	Donald Hsiao	5,088,681
	1	J.T.Hsiao	16,237,570
	6933	Li-Hung Huang	3,072,340
	4065	Chih-Hung Lai	2,994,214
	6097	Adhesive Technologies, Inc.	2,538,051
	3665	Cheng-Jen Chen	1,321,823
	24252	Ming-Chun Tsai	366,986
Independent Director	-	Chung-Ping Wang	0
	7133	Tsai-Wei Tseng	318,286
	-	Wen-Pin Weng	0
	-	Shu-Chuan Lin	0

7. Discussion Items II

(1). Release Directors and Representatives of Juristic-Person Directors from Non-Competition Restrictions, please kindly discuss.

Explanation:

- i. Following the election of directors, and in accordance with Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the Company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- ii. A newly elected director of the Company and representative of a juristic-person director, if engaging in acts of participation in other business operations similar or identical to the Company's scope of operations, shall request the Shareholders' Meeting to exempt the director and representative of a juristic-person director from non-competition restrictions.
- iii. Please kindly discuss

Detail of competitive activities engaged by newly elected directors of the Company:

Person to be released from non-competition restrictions	Name of affiliate in which a position concurrently held	Position concurrently held
Donald Hsiao	Wuxi Tex Year International Trading Co., Ltd	Chairman
	Tex Year Europe Sp. z o.o.	Director
	Tex Year Minima Technology Inc.	Chairman
Li-Hung Huang	Wood Glue Industrial Co., Ltd.	Chairman
Tsai-Wei Tseng	JPT Corporation	General Manager
Adhesive Technologies, Inc. Representative: Peter Sterling	Adhesive Technologies, Inc.	President

Voting Results:

Shares represented at the time of voting: 59,554,490

Voting Result	Proportion to the total represented shares present
Votes in favor : 59,342,804 votes (including e-voting : 48,153,259 votes)	99.64%
Votes in against: : 13,315 votes (including e-voting : 13,315 votes)	0.02%
Votes in invalid : 198,371 votes (including e-voting : 94,371votes)	0.33%
Votes abstained : 0 votes	0.00%

RESOLVED, the proposal was 99.64% of the votes in favor represented by the shareholders present, and the proposal "Release Directors and Representatives of Juristic-Person Directors from Non-Competition Restrictions" be and hereby was accepted as proposed.

8. Extempore Motions : None

9. Adjournment : 10:27 a.m. on June 27, 2022

III. Attachments

Attachment 1

Tex Year Industries Inc. Business Report of 2021

Ladies and gentlemen of the shareholders:

In 2021, Tex Year Industries Inc. was awarded the “Sixth Taiwan Mittelstand Award,” demonstrating that the Company is solid foundation skills, and has the unique and key technologies in specific fields, with high international competitiveness, so it was recognized by the cross-segment selection panel, to be awarded with the honor of an invisible champion of Taiwan. For 64 years, Tex Year has focused on various green low-carbon adhesive products. In Taiwan, Europe, India, Vietnam, and China, nine production bases and six R&D centers, to position around the world for serving customers in the neighboring area. By the in-house R&D and various technology collaborations, we provide total solutions to customers in various industries. Looking to the future, we will keep on making efforts to for the goals to expand the global market in all aspect, and lead the industry to develop the products green, innovate, sustainable, and carbon-reducing.

Last November, Tex Year integrate the Group’s sustainable development strategic blueprint with the global R&D and operational management of resources, to work with the strategic partners from up- and downstream, for creating the “GPS Green Material Strategic Collaboration Platform,” for introducing various collaboration of cross-disciplines and cross-border via the GPS platform, to navigate the strategic partners to the new blue ocean of green materials and carbon-reducing solutions. In the opening ceremony of the GPS platform, Tex Year vowed the SDGs sustainable development directions to which Tex Year advance to, and structure four major technology development platforms, including: green economic platform, bio-economic platform, circular economic platform, and low-carbon economic platform. The member of GPS share the international regulations and trends, and collaborate to develop the green sustainable materials. The Company offers full series of green sustainable low carbon products, and receives various international certifications, and conforms to the future eco sustainable regulations and industrial carbon-neutral development trends; all of these are Tex Year’s future niche market.

For the new consumer sustainable products, Tex Year has established the deep strategic partnership with Minima Technology, a globally renown bio-degradable products, to collaboratively market the bio-degradable straws, utensils, shopping bags, and long lasting containers. A production base for Europe will be set up in Tex Year's European Plant, to localized the production and launch into European market.

The electronic specialty chemicals business unit that has outperformed in past two years, has been benefitted the continuous high growth in electronic industry as an agency of high-end adhesives and specialty chemicals from Japan and the U.S., and created better profit contributions. For the self-made products, Tex Yeas has had deep cooperation with international KA customers for the UV glue adhesive for display, and specialty chemicals for handheld and wearable industry, to develop new specialty chemicals simultaneously accommodating customers' demands, for the pioneer's advantages, while promote the products to the related market at the same time. In the Innovation Building in the Taoyuan Plant, a new dedicated clean room plant is built, and the capacity utilization increased rapidly, to expand the production efficiency for meeting the shipment demands of customers around the world. In this year, the international certificate IATF 16949 for the design/new product development, manufacturing, installation, and services for the automotive products, to meet customers' demands from various areas and industries.

Facing the global warming and climate changes, and the enterprises' global sustainable development, Tex Year has always responded with very active attitude and concrete actions, to the environmental, social, and governance (ESG) issues. In terms of green procurement, corporate governance, social care, and environmental protection, the Company has established cross-functioned units including the "Ethic Committee," "Corporate Sustainability Corporate," "Remuneration Committee," "Information Security and Personal Data Committee," and "Environment, Health, and Safety Committee," to ensure the Company's operation complies with the spirit of ESG in all aspects, and taking accounts of all stakeholders' interests in a balanced way.

In the recent years, with factors like surging prices of raw materials, raging COVID-19, the Russia and Ukraine war, inflation, and volatile exchange rate, a corporate's sustainable operation must monitor the external changes all the time, be flexible and agile, to stay solid in the evolving environment. We are sincerely grateful to all shareholders for their full support to Tex Year, our dedicated colleagues, the government's guidance and assistance, and all customers and suppliers who love and care for us, in order

to achieve today's success of Tex Year; in the future, we will continue to strive for the green sustainability and development of high-value products, to expand globally and strengthen our brand marketing, leading all employees to embrace the new landscape, success the history and create the future, to create more value for all shareholders.

Wish you all

Good health and good fortune

Chairman: Donald Hsiao

1. 2021 Business Results:

(1) Implementation Outcome of Business Plans

Unit: Unless otherwise stated, the unit of the rest of the items are stated in NT\$1,000

Item	2021	2020	Increasing/ Decreasing Range (%)
Consolidated operating revenues	3,550,382	3,162,668	12.26
Consolidated operating net profit	68,717	136,830	(49.78)
Consolidated net income before income tax	56,041	144,443	(61.20)

(2) Status of implementation of budget

The Company only sets internal budget targets and does not disclose financial projections to the public.

The estimated consolidated operating revenues for 2021 were NT\$3,519,105 thousand, and the actual consolidated operating revenues were NT\$3,550,382 thousand, representing a budget achievement rate of 100.89%.

(3) Financial Revenue and Expenditure and Analysis of Profitability

Item		2021 (Consolidated)
Financial structure	Debt to asset ratio (%)	59.05
	Long term capital to property, plant and equipment ratio (%)	179.51
Solvency	Current ratio (%)	144.09
	Quick ratio (%)	90.02
	Interest coverage ratio (times)	505.71
Profitability	Return on assets (%)	1.49
	Return on equity (%)	2.47
	Pre-tax net profit to paid-in capital ratio (%)	5.72
	Net profit ratio (%)	1.02
	Earnings per share (NT\$)	0.30

(4) Research and Development Status -

1. Technology Level and Research Development

There are three major targets for research and development: new products, new processes and new industries, which are described as follows.

1.1 Adhesive products:

1.1.1 Hot melt adhesive:

·In response to sustainable development, the Company has been actively developing eco-friendly hot melt adhesives that can improve recycling efficiency, reduce carbon, and minimize plastic. They are used in packaging, filters, medical products, woodworking, electronics and telecommunication, DIY and book binding businesses.

·Develop food contact grade hot melt adhesives for beverage, dairy and fruit food packaging.

·To meet the high performance requirements for the automotive and mattress industries, the Company has developed special adhesive strips, and hot melt products that operate at low temperatures, resist high temperatures, and have low VOC emissions, in order to expand the markets, to fulfill market demands, and to complete the hot melt product line.

·Develop the Bionis series (bio-based and biodegradable hot melt adhesive) to make the perfect hot melt adhesive products that are sustainable and eco-friendly.

1.1.2 Water-based adhesive: Develop environmentally friendly water-based adhesive that can replace solvent-based adhesives for tape, labels, packaging and other applications. It has the characteristics of fast processing, water resistance, low white mist, high temperature resistance, low temperature and low surface energy material adhesion.

1.1.3 Participate in the Ministry of Economic Affairs Technology Research and Development Project to develop sustainable and environmentally friendly hot melt adhesive products for the target industries of paper straw lamination and structural adhesive.

1.2 Special chemical products:

1.2.1 UV light hardening adhesive: UV light hardening buffering adhesive series for LCD panel automatic production, LED UV light hardening moisture proof adhesive.

1.2.2 UV photo-hardening mending adhesive series for carbon fiber composite industry.

1.2.3 UV light-hardening coating: PVC flooring high matte light-hardening coating, SPC flooring matte light-hardening coating.

1.2.4 Specialty chemicals: user-friendly, low-odor two-component acrylic adhesive (SGA) for the speaker, optoelectronics, and electrical industries.

1.2.5 UV pressure sensitive adhesive: solvent-free high-value and eco-friendly UV pressure sensitive adhesive, which can be processed automatically and is reliable at high temperature.

1.3 Medical equipment products:

1.3.1 Develop a set of multi-purpose autoclave in add-on mode, so that the end consumer can use autoclave easily, quickly and conveniently.

1.3.2 Develop the sterilization equipment that does not operate in high temperature and pressure mode so as to expand the market to different customer groups.

1.3.3 Develop a wide range of sterilization products to further expand the business opportunities from medical care products to personal care devices.

1.3.4 Standardize the controller and parts used for all models and all components to reduce material costs and improve electrical control stability.

1.3.5 Continue to develop and manufacture the key components by ourselves.

1.4 Filtration materials:

1.4.1 H14 and U15 high-efficiency, low-resistance meltblown filter materials for household air cleaners.

1.4.2 Filter material for automobile air conditioning.

1.4.3 Professional respirator/mask low resistance filter material.

1.4.4 Anti-bacterial, antiviral, anti-allergy and other functional filter materials.

2. Group Research and Development staff and their academic experience

December 31, 2021

Item Educational Background	Master (PhD) and above	University (College)	High School (Vocational School)	Total
Number of People	26	29	0	55
Ratio (%)	47	53	0	100

(II). 2022 Overview of Business Plan

(1) Operating principle

1. Targeting: Focus on niche markets and create customer value together.
2. Eco-friendly: Combining environmental protection, safety and speed to create brand value.
3. X: Innovative technology to facilitate life.
4. YEAR: Long-standing and sustainable management.

(2) Expected Sales Volume and its Basis

The expected sales volume of consolidated hot melt adhesive-related self-produced products for 2022 is approximately 31,969 metric tons, which is an aggregate figure estimated with reference to past sales, future market supply and demand conditions and industry environment.

(3) Important Production and Marketing Policies

- I. Strengthen international marketing as well as domestic and overseas partnerships to form an international distribution network and to increase market share.
- II. Integrate the Group's resources, expand the sales synergy, adopt division of labor and global management, and pursue the Group's maximum interests.
- III. To coordinate the Group's procurement and production resources to reduce costs and pursue sustainable development.
- IV. Strategic alliance with international customers to expand economic scale and product lines.
- V. Develop high value-added products with core technologies and strengthen new product business development.
- VI. Improve production technology, reduce manufacturing cost, and take automation and energy-saving and environmental protection process as the basis.
- VII. To increase the global market share of Tex Year's private label products.
- VIII. Expand the range and scope of our green and sustainable products through self-development and technical cooperation.

(III) Future Company Development Strategy

Pursuit of balanced development, never-ending" is our management philosophy. We are committed to pursuing balanced development for our shareholders and employees, as well as long-term and short-term interests.

(IV) Impact of the external competitive environment, regulatory environment and overall business environment

- (1) The war between Russia and Ukraine has caused tension around the world, and has led to a sharp rise in the price of crude oil and related natural resources, further pushing up global inflation; therefore, companies must have the ability to pass through costs.
- (2) In addition, as regulations on environmental protection become more strict worldwide, products and technologies for circular economy become the key for industry transformation in the future.
- (3) The rising trade conflict between the U.S. and China has weakened China's export advantage, and the global industry will rethink its positioning.

- (4) As China continues to promote environmental protection policies, the petrochemical industry has been forced to shut down, relocate or cut down the production capacity. This has been accelerating the elimination of the weak in the industry and leaving the strong behind, resulting in reduced supply and higher prices.
- (5) The Covid-19 epidemic that swept through the world caused great damage because of the isolation policies of countries and regions, resulting in a weakening of globalization and making those with regional supply capabilities more competitive.
- (6) In response to the international anti-money laundering and anti-tax avoidance trend, multinational corporations need to rethink their investment structure to reduce global tax risks.

TEX YEAR INDUSTRIES INC.
Supervisors' Examination Report

Hereby approved

The supervisors have examined the accompanying 2021 Business Report, earnings distribution plan, consolidated and individual financial statements of the Company, which have been audited by CPAs, Chien, Ming-Yen and Chuang, Pi-Yu of Deloitte Taiwan, and concluded that no irregularities were found. We hereby report as above in accordance with relevant laws and regulations.

Regards,

2022 General Meeting of Shareholders

Supervisors:

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March 29, 2022

Consolidated Financial Statements and Independent Auditor's Report

INDEPENDENT AUDITOR'S REVIEW REPORT

To Tex Year Industries Inc.:

Audit Opinion

We have duly audited the consolidated balance sheet of Tex Year Industries Inc. and its subsidiaries as of December 31, 2021 and 2020, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to December 31, 2021 and 2020 as well as notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits and the reports of the other auditors (see Other Matters), the consolidated financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretation Announcements issued by the Financial Supervisory Commission, and are fairly stated in terms of the consolidated financial position of Tex Year Industries Inc. and its subsidiaries as of December 31, 2021 and 2020, and the consolidated financial performance and consolidated cash flows for the years 2021 and 2020 from January 1 to December 31.

Basis of Audit Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards. Our responsibility under these standards will be further explained in the paragraph of our responsibility to review the consolidated financial statements. The staff of the firm to which we are affiliated, who are subject to the independence regulation, have maintained superior independence from Tex Year and its subsidiaries in accordance with the Code of Ethics for Accountants, and have fulfilled other responsibilities under the Code. We believe that we have obtained sufficient and appropriate audit evidence to form the basis of our audit opinion.

Key Audit Matters

A key audit matter is one that, in our professional judgment, is material to the examination of the consolidated financial statements of Tex Year Industries Inc. and its subsidiaries for 2021. These matters have been considered in the process of examining the consolidated financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on these matters individually.

The key audit matters of the financial statements of Tex Year Industries Inc. and its subsidiaries for 2021 are summarized as follows:

Authenticity of sales revenue

The sales revenue of Tex Year Industries Inc. and its subsidiaries from selling products to some of the top ten customers in 2021 increased compared with that in the same period of last year. Whether the sales revenue is correctly recognized when meeting the performance obligations will have a significant impact on the consolidated financial report, and therefore it is listed as a key audit matter of this year.

For the accounting policies and relevant disclosure information related to sales revenue, please refer to notes 4 (13), 25, 32 and 37 to the consolidated financial report.

Our audit procedures for assessing the authenticity of sales revenue in the course of the audit are as follows:

1. Understand and test the effectiveness of the design and implementation of the internal control system related to the authenticity of sales revenue.
2. Obtain on a sample basis the transaction documents of the aforementioned sales revenue, including sales orders, shipping documents and collection documents, to verify the authenticity of the sales revenue posted.

Other Matters

The consolidated financial statements of Tex Year Industries Inc. and its subsidiaries, certain subsidiaries and investment companies using the equity method have not been audited by us, but by other auditors. Accordingly, our opinion on the consolidated financial statements referred to above, which relates to the amounts included in the financial statements of certain subsidiaries and equity-method investees and the related information disclosed in the notes, is based on the reports of other auditors. The total assets of these subsidiaries as of December 31, 2021 and 2020 were NT\$1,000,046 thousand and NT\$995,959 thousand, respectively, accounting for 30% and 33% of the total combined assets; net operating income from January 1 to December 31, 2021 and 2020 was NT\$759,275 thousand and NT\$693,662 thousand respectively, representing 21% and 22% of the consolidated net operating income respectively. For these investments by the equity method, the balances of December 31, 2021 and 2020 were NTS61,364 thousand and NT\$102,214 thousand respectively, representing 2% and 3% of the total assets respectively. From January 1 to December 31, 2021 and 2020, the share

of joint venture profit and loss recognized by the equity method was NT\$(2,905) thousand and NT\$2,809 thousand respectively, accounting for (5%) and 2% of the consolidated net profit before tax respectively.

Tex Year Industries Inc. has prepared its individual financial reports for 2021 and 2020, and we have issued the audit report with unqualified opinions and notes on other matters for reference.

Responsibility of Management and Governance Unit to Consolidated Financial Statements

The responsibility of management is to prepare consolidated financial statements that present fairly the financial position of the Company in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations issued by the Financial Supervisory Commission, and to maintain such internal control relevant to the preparation of consolidated financial statements as is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management's responsibility also includes assessing Tex Year Industries Inc. and its subsidiaries' ability to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate Tex Year Industries Inc. and its subsidiaries or to cease operations, or there is no practical alternative to liquidation or cessation of operations.

The governance units (including supervisors) of Tex Year Industries Inc. and its subsidiaries are responsible for overseeing the financial reporting process.

Responsibility of Accountants Auditing Consolidated Financial Statements

The purpose of our audit is to obtain reasonable assurance about whether the consolidated financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue a report thereon. However, an audit performed in accordance with generally accepted auditing standards does not provide assurance that material misstatements in the consolidated financial statements will be detected. Misrepresentation may be the result of fraud or error. Individual amounts or aggregates that are not true are considered material if they could reasonably be expected to affect the economic decisions made by users of the consolidated financial statements.

We conducted our audit in accordance with generally accepted auditing standards, exercising our professional judgment and maintaining our professional skepticism. We also perform the following tasks.

1. Identify and assess the risks of material misstatement of the consolidated financial statements arising from fraud or error; design and implement appropriate responses to the risks assessed; and obtain sufficient and appropriate evidence to provide a basis for an audit opinion. Because fraud may involve conspiracy, forgery, intentional omission,

misrepresentation or a breach of internal control, the risk of not detecting material misstatement due to fraud is higher than that due to error.

2. We obtained an understanding of the internal control relevant to our 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 Tex Year Industries Inc. and its subsidiaries' internal control.
3. Evaluate the appropriateness of the accounting policies used by management and the reasonableness of the accounting estimates and related disclosures made by management.
4. Based on the evidence obtained, we have made a conclusion on the appropriateness of management's adoption of the going concern basis of accounting and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the ability of Tex Year Enterprises, Inc. and its subsidiaries to continue as a going concern. If we believe that there is a material uncertainty about such events or conditions, we should draw the attention of users of the consolidated financial statements to the relevant disclosures in the audit report or revise our audit opinion if such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Tex Year Industries Inc. and its subsidiaries to cease to have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements present fairly the related transactions and events.
6. We obtained sufficient and appropriate audit evidence on the financial information of the constituent entities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the Group's audits, and for forming an opinion on the Group's audits.

We will communicate with the governance unit regarding the scope and timing of the planned audit and significant audit findings, including significant deficiencies in internal control identified during the audit.

We also provide the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related safeguards) that may be considered to affect the accountant's independence.

From the matters communicated with the governance unit, we decided on the key audit items for the audit of the annual consolidated financial statements of Tex Year Industries Inc. and its subsidiaries for 2021. We identified those matters in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, where we decided not to communicate those matters in our auditor's report because the negative effect of

such communication could reasonably be expected to outweigh the public interest that would be served.

The engagement partners on the reviews resulting in this independent auditor's review report are Pi-Yu Chuang and Ming-Yen Chien.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2022

Notice to Readers

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

For the convenience of readers, the auditor's report and the accompanying consolidated financial statements have 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-language auditor's report and consolidated financial statements shall prevail.

Tex Year Industries Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and 2020

In thousand of New Taiwan Dollars.

Code	Asset	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current asset				
1100	Cash and cash equivalents (notes 4 and 6)	\$ 438,772	13	\$ 420,381	14
1110	Current financial assets at fair value through profit or loss (notes 4, 7 and 19)	59,020	2	60,078	2
1150	Notes receivable, net (notes 4 and 10)	26,625	1	24,148	1
1170	Accounts receivable, net (notes 4, 5 and 10)	643,258	20	597,994	19
1180	Accounts receivable due from related parties, net (notes 4, 5, 10 and 32)	21,676	1	37,681	1
1200	Other receivables (notes 4 and 10)	14,359	-	22,277	1
1210	Other receivables due from related parties (notes 4, 10 and 32)	411	-	1,433	-
130X	Current inventories (notes 4, 5, 11 and 33)	692,943	21	541,905	18
1470	Other current assets (note 17)	73,237	2	70,813	2
11XX	Total current assets	<u>1,970,301</u>	<u>60</u>	<u>1,776,710</u>	<u>58</u>
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (notes 4 and 7)	7,237	-	-	-
1535	Financial assets at amortized cost - non-current (notes 4 and 9)	7,797	-	76	-
1550	Investment under the equity method (note 4 and 13)	86,365	3	124,574	4
1600	Property, plant and equipment (notes 4, 14, 18 and 33)	986,443	30	1,006,358	33
1755	Right-of-use assets (notes 4 and 15)	77,068	2	72,943	2
1780	Intangible assets (notes 4 and 16)	16,661	1	20,385	1
1840	Deferred tax assets (notes 4 and 27)	40,080	1	37,428	1
1915	Advance payment for equipment	75,491	2	3,854	-
1990	Other non-current assets, others (note 10 and 17)	13,206	1	13,659	1
15XX	Total non-current assets	<u>1,310,348</u>	<u>40</u>	<u>1,279,277</u>	<u>42</u>
1XXX	Total assets	<u>\$ 3,280,649</u>	<u>100</u>	<u>\$ 3,055,987</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Current liabilities (note 18)	\$ 581,264	18	\$ 356,408	12
2120	Current financial liabilities at fair value through profit or loss (notes 4 and 7)	-	-	4,102	-
2170	Accounts payable (note 20)	470,536	14	392,391	13
2180	Accounts payable to related parties (notes 20 and 32)	-	-	26,942	1
2200	Construction contracts payable to related parties (note 21)	137,511	4	154,551	5
2230	Current tax liabilities (notes 4 and 27)	13,454	1	12,408	-
2250	Current provisions (notes 4 and 22)	1,058	-	1,046	-
2280	Current lease liabilities (notes 4 and 15)	4,359	-	2,848	-
2320	Long-term borrowings and corporate bonds payable -current portion (notes 14, 18, 19 and 33)	115,244	4	115,384	4
2399	Other current liabilities, others (notes 21 and 29)	43,949	1	33,365	1
21XX	Total current liabilities	<u>1,367,375</u>	<u>42</u>	<u>1,099,445</u>	<u>36</u>
	Non-current liabilities				
2530	Corporate bonds payable (note 19)	193,050	6	261,082	9
2540	Non-current portion of non-current borrowings (notes 14, 18 and 33)	255,397	8	284,372	9
2570	Deferred tax liabilities (notes 4 and 27)	72,311	2	79,806	3
2580	Non-current lease liabilities (notes 4 and 15)	5,530	-	1,496	-
2630	Deferred income – non-current (notes 4 and 29)	3,712	-	6,852	-
2640	Net defined benefit liability, non-current (notes 4 and 23)	37,886	1	42,491	1
2670	Other non-current liabilities, others (note 21)	1,929	-	1,115	-
25XX	Total non-current liabilities	<u>569,815</u>	<u>17</u>	<u>677,214</u>	<u>22</u>
2XXX	Total liabilities	<u>1,937,190</u>	<u>59</u>	<u>1,776,659</u>	<u>58</u>
	Equity attributable to owners of the Company (notes 4, 8, 12, 13, 19, 23, 24, 27 and 31)				
	Share capital				
3110	Common stock	979,327	30	893,857	29
3130	Certificates of rights to exchange bonds for shares	150	-	12,143	1
3100	Total share capital	<u>979,477</u>	<u>30</u>	<u>906,000</u>	<u>30</u>
3200	Capital from retained earnings	<u>58,677</u>	<u>2</u>	<u>48,570</u>	<u>1</u>
	Retained earnings - 34 -				
3310	Legal reserve	132,500	4	125,834	4
3320	Special reserve	110,779	4	95,226	3
3350	Undistributed earnings	38,176	1	75,916	3
3300	Total retained earnings	<u>281,455</u>	<u>9</u>	<u>296,976</u>	<u>10</u>
	Other equity interest				
3410	Foreign operating institute Translation of financial statements Exchange differences	(106,062)	(3)	(98,193)	(3)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(12,586)	(1)	(12,586)	(1)
3400	Total other equity interest	(118,648)	(4)	(110,779)	(4)
31XX	Total equity attributable to owners of parent	<u>1,200,961</u>	<u>37</u>	<u>1,140,767</u>	<u>37</u>
36XX	Non-controlling interests	<u>142,498</u>	<u>4</u>	<u>138,561</u>	<u>5</u>
3XXX	Total equity	<u>1,343,459</u>	<u>41</u>	<u>1,279,328</u>	<u>42</u>
	Total liabilities and equity	<u>\$ 3,280,649</u>	<u>100</u>	<u>\$ 3,055,987</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 31, 2022)

Tex Year Industries Inc. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2021 and 2020

In thousand of New Taiwan Dollars, Except earnings per share.

Code		2021		2020	
		Amount	%	Amount	%
	Operating revenue (notes 4, 25, 32 and 37)				
4110	Total operating income	\$ 3,571,213	101	\$ 3,179,926	101
4170	Less: sales return	20,090	1	16,565	1
4190	Less: sales discount	<u>741</u>	<u>-</u>	<u>693</u>	<u>-</u>
4000	Net operating income	<u>3,550,382</u>	<u>100</u>	<u>3,162,668</u>	<u>100</u>
	Operating costs (notes 4, 5, 11, 22, 23, 26 and 32)				
5110	Total cost of sales	<u>2,904,273</u>	<u>82</u>	<u>2,457,267</u>	<u>78</u>
5900	Gross profit from operations	646,109	18	705,401	22
5910	Realized (unrealized) gains from joint ventures (note 4)	<u>83</u>	<u>-</u>	(<u>88</u>)	<u>-</u>
5950	Gross profit from operations	<u>646,192</u>	<u>18</u>	<u>705,313</u>	<u>22</u>
	Operating expenses (notes 4, 5, 10, 16, 23, 26 and 32)				
6100	Marketing expenses	350,125	10	311,844	10
6200	Administrative expenses	141,161	4	150,055	5
6300	Research and development expenses	<u>86,189</u>	<u>2</u>	<u>106,584</u>	<u>3</u>
6000	Total operating expenses	<u>577,475</u>	<u>16</u>	<u>568,483</u>	<u>18</u>
6900	Net operating income (loss)	<u>68,717</u>	<u>2</u>	<u>136,830</u>	<u>4</u>

(Continue)

(Continue)

Code		2021		2020	
		Amount	%	Amount	%
	Non-operating income and expenses				
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (notes 4 and 13)	(\$ 6,170)	-	(\$ 4,400)	-
7100	Interest income (notes 4 and 26)	1,887	-	1,833	-
7010	Other income (notes 4, 26, 29 and 32)	22,023	1	36,685	1
7020	Other gains and losses, net (notes 4 and 26)	(540)	-	(1,715)	-
7590	Miscellaneous disbursements	(8,204)	-	(6,459)	-
7630	Foreign exchange losses (notes 4 and 35)	(7,859)	-	(2,570)	-
7510	Financial cost (notes 4, 18, 19 and 26)	(<u>13,813</u>)	(<u>1</u>)	(<u>15,761</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	(<u>12,676</u>)	<u>-</u>	<u>7,613</u>	<u>-</u>
7900	Net profit before tax	56,041	2	144,443	4
7950	Income tax expense (notes 4 and 27)	<u>19,995</u>	<u>1</u>	<u>42,632</u>	<u>1</u>
8200	Net profit of the current period	<u>36,046</u>	<u>1</u>	<u>101,811</u>	<u>3</u>
	Other comprehensive income (notes 4, 8, 12, 13, 23 and 27)				
	Components of other comprehensive income that will not be reclassified to profit or loss				

(Continue)

(Continue)

Code		2021		2020	
		Amount	%	Amount	%
8311	Gains (losses) on remeasurements of defined benefit plans	1,153	-	(3,849)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	(3,586)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(230)	-	770	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss	<u>923</u>	<u>-</u>	<u>(6,665)</u>	<u>-</u>
8361	Foreign operating institute Translation of financial statements Exchange differences	(\$ 12,804)	-	(\$ 16,075)	-
8370	Share of other comprehensive income from joint ventures by the equity method	297	-	(1,715)	-

(Continue)

(Continue)

Code		2021		2020	
		Amount	%	Amount	%
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>1,967</u>	<u>-</u>	<u>2,992</u>	<u>-</u>
8360		(<u>10,540</u>)	<u>-</u>	(<u>14,798</u>)	<u>-</u>
8300	Total other comprehensive income	(<u>9,617</u>)	<u>-</u>	(<u>21,463</u>)	<u>-</u>
8500	Total comprehensive income	<u>\$ 26,429</u>	<u>1</u>	<u>\$ 80,348</u>	<u>3</u>
	Net profit attributable to				
8610	Owners of the Company	\$ 28,877	1	\$ 69,740	2
8620	Non-controlling interests	<u>7,169</u>	<u>-</u>	<u>32,071</u>	<u>1</u>
8600		<u>\$ 36,046</u>	<u>1</u>	<u>\$ 101,811</u>	<u>3</u>
	Comprehensive income attributable to: Total comprehensive income attributable to				
8710	Owners of the Company	\$ 21,931	1	\$ 51,108	2
8720	Non-controlling interests	<u>4,498</u>	<u>-</u>	<u>29,240</u>	<u>1</u>
8700		<u>\$ 26,429</u>	<u>1</u>	<u>\$ 80,348</u>	<u>3</u>
	Earnings per Share (note 28)				
9710	Basic	<u>\$ 0.30</u>		<u>\$ 0.74</u>	
9810	Dilute	<u>\$ 0.28</u>		<u>\$ 0.65</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 31, 2022)

Tex Year Industries Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2021 and 2020

In thousand of New Taiwan Dollars.

Equity attributable to owners of the Company (notes 4, 8, 12, 13, 19, 23, 24, 27 and 31)											
Code		Share capital			Retained earnings			Other equity items		Non-controlling interests	Total equity
		Common stock	Certificates of rights to exchange bonds for shares	Capital from retained earnings	Legal reserve	Special reserve	Undistributed earnings	Foreign operating institute Translation of financial statements Exchange differences	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
A1	Balance on January 1, 2020	\$ 885,767	\$ 1,027	\$ 68,494	\$ 121,416	\$ 54,831	\$ 54,068	(\$ 86,226)	(\$ 9,000)	\$ 116,039	\$ 1,206,416
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	(6,718)	(6,718)
	Appropriation and distribution of retained earnings for 2019										
B1	Legal reserve appropriated	-	-	-	4,418	-	(4,418)	-	-	-	-
B3	Special reserve appropriated	-	-	-	-	40,395	(40,395)	-	-	-	-
B5	Cash dividends of ordinary share	-	-	(26,753)	-	-	-	-	-	-	(26,753)
I1	Conversion of convertible bonds	7,063	12,143	6,829	-	-	-	-	-	-	26,035
I3	Conversion of certificates of bonds-to-share	1,027	(1,027)	-	-	-	-	-	-	-	-
D1	Profit of 2020	-	-	-	-	-	69,740	-	-	32,071	101,811
D3	Other comprehensive income of 2020	-	-	-	-	-	(3,079)	(11,967)	(3,586)	(2,831)	(21,463)
D5	Total comprehensive income of 2020	-	-	-	-	-	66,661	(11,967)	(3,586)	29,240	80,348
Z1	Balance on December 31, 2020	893,857	12,143	48,570	125,834	95,226	75,916	(98,193)	(12,586)	138,561	1,279,328
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	(561)	(561)
	Appropriation and distribution of retained earnings for 2020										
B1	Legal reserve appropriated	-	-	-	6,666	-	(6,666)	-	-	-	-
B3	Special reserve appropriated	-	-	-	-	15,553	(15,553)	-	-	-	-
B5	Dividend to the Company's shareholders	45,321	-	-	-	-	(45,321)	-	-	-	-
M5	Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	-	-
I1	Conversion of convertible bonds	28,006	150	10,107	-	-	-	-	-	-	38,263
I3	Conversion of certificates of bonds-to-share	12,143	(12,143)	-	-	-	-	-	-	-	-
D1	Net income in 2021	-	-	-	-	-	28,877	-	-	7,169	36,046
D3	Other comprehensive income after tax in 2021	-	-	-	-	-	923	(7,869)	-	(2,671)	(9,617)
D5	Total comprehensive income in 2021	-	-	-	-	-	29,800	(7,869)	-	4,498	26,429
Z1	Balance on December 31, 2021	\$ 979,327	\$ 150	\$ 58,677	\$ 132,500	\$ 110,779	\$ 38,176	(\$ 106,062)	(\$ 12,586)	\$ 142,498	\$ 1,343,459

The accompanying notes are an integral part of the consolidated financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 31, 2022)

Tex Year Industries Inc. and Subsidiaries

Consolidated Cash Flow Statement

January 1 to December 31, 2021 and 2020

In thousand of New Taiwan Dollars.

Code		2021	2020
	Cash flow from business activities		
A00010	Profit from continuing operations before tax	\$ 56,041	\$ 144,443
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expenses	89,862	91,271
A20200	Amortization expenses	7,734	7,863
A20300	Expected credit loss	2,072	7,983
A20400	Net loss on financial assets and liabilities at fair value through profit or loss	622	1,690
A20900	Finance costs	13,813	15,761
A21200	Interest income	(1,887)	(1,833)
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	6,170	4,400
A22500	Losses (gains) on disposals of property, plant and equipment	(82)	25
A23700	Impairment loss on non-financial assets	2,596	7,386
A23900	Unrealized (realized) gains from joint ventures	(83)	88
A24100	Unrealized foreign exchange loss (gain)	(413)	2,380
A29900	Provision for (reversal of) refund liabilities	12	(619)
A29900	Other adjustments to reconcile profit (loss)	(9,485)	(6,244)
A30000	Changes in operating assets and liabilities		
A31115	Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	(5,507)	(42,072)
A31130	Notes receivable	(2,477)	(600)
A31150	Accounts receivable	(48,998)	(63,754)
(Continue)			

(Continue)

Code		2021	2020
A31160	Accounts receivable - related parties	15,492	(20,050)
A31180	Other receivable	7,747	405
A31190	Other receivables - related party	1,013	755
A31200	Inventories	(153,468)	(95,303)
A31240	Other current assets	(2,424)	(4,550)
A32150	Accounts payable	78,923	99,838
A32160	Accounts payable - related parties	(26,802)	(26,719)
A32180	Other payable	(21,380)	23,737
A32190	Other payable to related parties	(39)	(26)
A32230	Other current liabilities	16,674	329
A32240	Net defined benefit liability – non-current	(3,452)	(2,324)
A33000	Cash inflow generated from operations	22,274	144,260
A33100	Interest received	\$ 1,887	\$ 1,980
A33300	Interest paid	(11,289)	(11,255)
A33500	Income taxes refund (paid)	(27,359)	(31,879)
AAAA	Net cash inflow (outflow) from operating activities	(14,487)	103,106
Cash flows from (used in) investing activities			
B00040	Acquisition of financial assets at amortised cost	(7,721)	-
B00050	Proceeds from disposal of financial assets at amortised cost	-	55,296
B00100	Acquisition of financial assets at fair value through profit or loss	(5,000)	-
B02700	Acquisition of property, plant and equipment	(61,701)	(57,391)
B02800	Proceeds from disposal of property, plant and equipment	825	9
B04500	Acquisition of intangible assets	(2,810)	(4,051)
B06700	Increase in other non-current assets	(657)	(503)
B07100	Increase in prepayments for business facilities	(77,740)	(4,583)

(Continue)

(Continue)

Code		2021	2020
B07600	Dividends received	<u>32,419</u>	<u>5,316</u>
BBBB	Net cash flows from (used in) investing activities	(<u>122,385</u>)	(<u>5,907</u>)
	Cash flow from financing activities		
C00100	Increase (decrease) in short-term loans	226,684	(21,445)
C01600	Proceeds from long-term debt	57,320	60,000
C01700	Repayments of long-term debt	(115,216)	(55,294)
C04020	Payments of lease liabilities	(6,029)	(5,661)
C04400	Increase in other non-current liabilities	1,025	12
C04500	Cash dividends paid	-	(26,753)
C09900	Cash dividends from non-controlling interests paid	(<u>561</u>)	(<u>6,718</u>)
CCCC	Net cash inflow (outflow) from financing activities	<u>163,223</u>	(<u>55,859</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>7,960</u>)	(<u>10,230</u>)
EEEE	Net increase in cash and cash equivalents	18,391	31,110
E00100	Cash and cash equivalents at beginning of period	<u>420,381</u>	<u>389,271</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 438,772</u>	<u>\$ 420,381</u>

The accompanying notes are an integral part of the consolidated financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 31, 2022)

Individual Financial Statements and Independent Auditor's Report

INDEPENDENT AUDITOR'S REVIEW REPORT

Tex Year Industries Inc.:

Audit Opinion

We have duly audited the individual balance sheet of Tex Year Industries Inc. as of December 31, 2021 and 2020, and the individual comprehensive income statement, individual statement of changes in equity and individual cash flow statement from January 1 to December 31, 2021 and 2020 as well as notes to the individual financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits and the reports of the other auditors (see Other Matters), the individual financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and are fairly stated in terms of the individual financial position of Tex Year Industries Inc. as of December 31, 2021 and 2020, and the individual financial performance and individual cash flows for the years 2021 and 2020 from January 1 to December 31.

Basis of Audit Opinion

We conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards. Our responsibility under these standards will be further explained in the paragraph of our responsibility to review the individual financial statements. The staff of the firm to which we are affiliated, who are subject to the independence regulation, have maintained superior independence from Tex Year in accordance with the Code of Ethics for Accountants, and have fulfilled other responsibilities under the Code. We believe that we have obtained sufficient and appropriate audit evidence to form the basis of our audit opinion.

Key Audit Matters

A key audit matter is one that, in our professional judgment, is material to the examination of the individual financial statements of Tex Year Industries Inc. for 2021. These matters have been considered in the process of examining the individual financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on these matters individually.

The key audit matters of the financial statements of Tex Year Industries Inc. for 2021 are summarized as follows:

Authenticity of sales revenue

The sales revenue of Tex Year Industries Inc. from selling products to some of the top ten customers in 2021 increased compared with that in the same period of last year. Whether the sales revenue is correctly recognized when meeting the performance obligations will have a significant impact on the individual financial report, and therefore it is listed as a key audit matter of this year.

For the accounting policies and relevant disclosure information related to sales revenue, please refer to notes 4 (13), 24 and 31 to the individual financial report.

Our audit procedures for assessing the authenticity of sales revenue in the course of the audit are as follows:

1. Understand and test the effectiveness of the design and implementation of the internal control system related to the authenticity of sales revenue.
2. Obtain on a sample basis the transaction documents of the aforementioned sales revenue, including sales orders, shipping documents and collection documents, to verify the authenticity of the sales revenue posted.

Other Matters

The individual financial statements of Tex Year Industries, Inc. certain subsidiaries and investment companies using the equity method have not been audited by us, but by other auditors. Accordingly, our opinion on the financial statements referred to above is based on our review of the amounts and disclosures in the notes to the financial statements of certain investees in respect of investments accounted for using the equity method. For these investments by the equity method, the balances of December 31, 2021 and 2020 were NTS873,386 thousand and NT\$870,221 thousand respectively, representing 33% and 36% of the total assets respectively. From January 1 to December 31, 2021 and 2020, the share of joint venture profit and loss recognized by the equity method was NT\$32,862 thousand and NT\$70,116 thousand respectively, accounting for 94% and 91% of the net profit before tax respectively.

Responsibility of Management and Governance Unit to Individual Financial Statements

Management's responsibility is to prepare fairly presented financial statements in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and to maintain such internal control relevant to the preparation of financial statements as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management's responsibility also includes assessing Tex Year Industries Inc.'s ability to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate Tex Year Industries Inc. or cease operations, or there is no practical alternative to liquidation or cessation of operations.

The governance units (including supervisors) of Tex Year are responsible for overseeing the financial reporting process.

Responsibility of Accountants Auditing Individual Financial Statements

The purpose of our audit is to obtain reasonable assurance about whether the individual financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue a report thereon. However, an audit performed in accordance with generally

accepted auditing standards does not provide assurance that material misstatements in the individual financial statements will be detected. Misrepresentation may be the result of fraud or error. Individual amounts or aggregates that are not true are considered material if they could reasonably be expected to affect the economic decisions made by users of the individual financial statements.

We conducted our audit in accordance with generally accepted auditing standards, exercising our professional judgment and maintaining our professional skepticism. We also perform the following tasks.

1. Identify and assess the risks of material misstatement of the individual financial statements arising from fraud or error; design and implement appropriate responses to the risks assessed; and obtain sufficient and appropriate evidence to provide a basis for an audit opinion. Because fraud may involve conspiracy, forgery, intentional omission, misrepresentation or a breach of internal control, the risk of not detecting material misstatement due to fraud is higher than that due to error.
2. We obtained an understanding of the internal control relevant to our 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 Tex Year Enterprises, Inc.' internal control.
3. Evaluate the appropriateness of the accounting policies used by management and the reasonableness of the accounting estimates and related disclosures made by management.
4. Based on the evidence obtained, we have made a conclusion on the appropriateness of management's adoption of the going concern basis of accounting and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the ability of Tex Year Industries Inc. to continue as a going concern. If we believe that there is a material uncertainty about such events or conditions, we should draw the attention of users of the individual financial statements to the relevant disclosures in the audit report or revise our audit opinion if such disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Tex Year Industries, to cease to have the ability to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the individual financial statements present fairly the related transactions and events.
6. We obtained sufficient and appropriate audit evidence on the financial information of the constituent entities of the Group to express an opinion on the individual financial statements. We are responsible for the direction, supervision and execution of the Company's audits, and for forming an opinion on the Company's audits.

We will communicate with the governance unit regarding the scope and timing of the planned audit and significant audit findings, including significant deficiencies in internal control identified during the audit.

We also provide the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related safeguards) that may be considered to affect the accountant's independence.

From the matters communicated with the governance unit, we decided on the key audit items for the audit of the annual consolidated financial statements of Tex Year Industries Inc. for 2021.

We identified those matters in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, where we decided not to communicate those matters in our auditor's report because the negative effect of such communication could reasonably be expected to outweigh the public interest that would be served.

The engagement partners on the reviews resulting in this independent auditor's review report are Pi-Yu Chuang and Ming-Yen Chien.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 31, 2022

Notice to Readers

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

For the convenience of readers, the auditor's report and the accompanying consolidated financial statements have 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-language auditor's report and consolidated financial statements shall prevail.

Tex Year Industries Inc.
Individual Balance Sheet
December 31, 2021 and 2020

In thousand of New Taiwan Dollars.

Code	Asset	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current asset				
1100	Cash (notes 4 and 6)	\$ 220,851	9	\$ 162,199	6
1110	Current financial assets at fair value through profit or loss (notes 4, 7 and 18)	180	-	560	-
1150	Notes receivable, net (notes 4 and 10)	19,959	1	18,402	1
1170	Accounts receivable, net (notes 4, 5 and 10)	214,280	8	153,514	6
1180	Accounts receivable due from related parties, net (notes 4, 5, 10 and 31)	82,382	3	95,924	4
1200	Other receivables (notes 4 and 10)	11,271	-	19,552	1
1210	Other receivables due from related parties (notes 4, 10 and 31)	55,935	2	25,189	1
130X	Current inventories (notes 4, 5 and 11)	192,170	7	145,747	6
1470	Other current assets (note 16)	25,172	1	18,855	1
11XX	Total current assets	822,200	31	639,942	26
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (notes 4 and 7)	7,237	-	-	-
1535	Financial assets at amortized cost - non-current (notes 4 and 9)	7,797	-	76	-
1550	Investment under the equity method (note 4 and 12)	1,196,057	46	1,256,185	52
1600	Property, plant and equipment (notes 4, 13, 17 and 32)	488,387	19	496,302	20
1755	Right-of-use assets (notes 4 and 14)	4,275	-	1,433	-
1780	Other intangible assets, net (notes 4 and 15)	8,247	-	7,570	-
1840	Deferred tax assets (notes 4 and 26)	38,161	2	34,147	2
1990	Other non-current assets, others (note 10 and 16)	47,103	2	6,852	-
15XX	Total non-current assets	1,797,264	69	1,802,565	74
1XXX	Total assets	\$ 2,619,464	100	\$ 2,442,507	100
	Liabilities and equity				
	Current liabilities				
2100	Current borrowings (note 17)	\$ 474,664	18	\$ 293,000	12
2170	Accounts payable (note 19)	185,362	7	142,454	6
2180	Accounts payable to related parties (notes 19 and 31)	21,293	1	17,293	1
2200	Other payables (note 20)	88,485	3	94,917	4
2220	Other payables to related parties (note 31)	67	-	-	-
2230	Current tax liabilities (notes 4 and 26)	5,016	-	-	-
2250	Current provisions (notes 4 and 21)	1,058	-	1,046	-
2280	Current lease liabilities (notes 4 and 14)	1,568	-	739	-
2320	Long-term borrowings and corporate bonds payable -current portion (notes 13, 17, 18 and 32)	93,796	4	110,851	4
2399	Other current liabilities, others (note 20)	17,601	1	12,972	-
21XX	Total current liabilities	888,910	34	673,272	27
	Non-current liabilities				
2530	Corporate bonds payable (note 4 and 18)	193,050	7	261,082	11
2540	Non-current portion of non-current borrowings (notes 13, 17 and 32)	223,773	9	244,602	10
2570	Deferred tax liabilities (notes 4 and 26)	72,311	3	79,806	3
2580	Non-current lease liabilities (notes 4 and 14)	2,412	-	301	-
2640	Net defined benefit liability, non-current (notes 4 and 22)	37,886	1	42,491	2
2670	Other non-current liabilities, others (note 20)	161	-	186	-
25XX	Total non-current liabilities	529,593	20	628,468	26
2XXX	Total liabilities	1,418,503	54	1,301,740	53
	Equity (notes 4, 8, 18, 22, 23 and 26)				
	Share capital				
3110	Common stock	979,327	37	893,857	37
3130	Certificates of rights to exchange bonds for shares	150	-	12,143	-
3100	Total Share Capital	979,477	37	906,000	37
3200	Capital from retained earnings	58,677	2	48,570	2
	Retained earnings				
3310	Legal reserve	132,500	5	125,834	5
3320	Special reserve	110,779	4	95,226	4
3350	Undistributed earnings	38,176	2	75,916	3
3300	Total retained earnings	281,455	11	296,976	12
	Other equity interest				
3410	Foreign operating institute Translation of financial statements				
	Exchange differences	(106,062)	(4)	(98,193)	(4)
3420	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(12,586)	-	(12,586)	-
3400	Total other equity interest	(118,648)	(4)	(110,779)	(4)
3XXX	Total equity	1,200,961	46	1,140,767	47
	Total liabilities and equity	\$ 2,619,464	100	\$ 2,442,507	100

The accompanying notes are an integral part of the individual financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 31, 2022)

Tex Year Industries Inc.
Individual Statement of Comprehensive Income
January 1 to December 31, 2021 and 2020
In thousand of New Taiwan Dollars, Except earnings per share.

Code		2021		2020	
		Amount	%	Amount	%
	Operating revenue (notes 4, 24 and 31)				
4110	Total operating income	\$ 1,567,115	100	\$ 1,253,450	100
4170	Less: sales return	(1,658)	-	(1,649)	-
4190	Less: sales discount	(724)	-	(725)	-
4000	Net operating income	1,564,733	100	1,251,076	100
	Operating costs (notes 4, 5, 11, 21, 22, 25 and 31)				
5110	Total cost of sales	<u>1,294,484</u>	<u>83</u>	<u>988,901</u>	<u>79</u>
5900	Gross profit from operations	270,249	17	262,175	21
5910	Realized (unrealized) gains from subsidiaries and joint ventures (note 4)	(5,949)	-	559	-
5950	Gross profit from operations	<u>264,300</u>	<u>17</u>	<u>262,734</u>	<u>21</u>
	Operating expenses (notes 4, 5, 10, 15, 22, 25 and 31)				
6100	Marketing expenses	138,968	9	124,446	10
6200	Administrative expenses	69,451	4	74,946	6
6300	Research and development expenses	<u>54,880</u>	<u>4</u>	<u>79,009</u>	<u>6</u>
6000	Total operating expenses	<u>263,299</u>	<u>17</u>	<u>278,401</u>	<u>22</u>
6900	Net operating income (loss)	<u>1,001</u>	<u>-</u>	(<u>15,667</u>)	(<u>1</u>)

(Continue)

(Continue)

Code		2021		2020	
		Amount	%	Amount	%
	Non-operating income and expenses				
7060	Share of profit of associates and joint ventures accounted for using equity method, net (notes 4 and 12)	\$ 32,199	2	\$ 84,170	7
7100	Interest income (notes 4 and 25)	1,416	-	896	-
7010	Other income (notes 4, 25, 28 and 31)	18,446	1	31,838	2
7020	Other gains and losses, net (notes 4 and 25)	1,964	-	532	-
7510	Finance costs (notes 4, 17, 18 and 25)	(10,727)	(1)	(12,729)	(1)
7590	Miscellaneous disbursements	(3,507)	-	(3,572)	-
7630	Foreign exchange losses (note 4 and 34)	(<u>5,949</u>)	<u>-</u>	(<u>8,721</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	<u>33,842</u>	<u>2</u>	<u>92,414</u>	<u>7</u>
7900	Net profit before tax	34,843	2	76,747	6
7950	Income tax expense (notes 4 and 26)	<u>5,966</u>	<u>-</u>	<u>7,007</u>	<u>-</u>
8200	Net profit of the current period	<u>28,877</u>	<u>2</u>	<u>69,740</u>	<u>6</u>
	Other comprehensive income (notes 4, 8, 12, 22 and 26)				
	Components of other comprehensive income that will not be reclassified to profit or loss				

(Continue)

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Code		2021		2020	
		Amount	%	Amount	%
8311	Gains (losses) on remeasurements of defined benefit plans	1,153	-	(3,849)	(1)
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	(3,586)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(<u>230</u>)	<u>-</u>	(<u>770</u>)	<u>-</u>
8310		<u>923</u>	<u>-</u>	(<u>6,665</u>)	(<u>1</u>)
	Components of other comprehensive income that will not be reclassified to profit or loss				
8361	Foreign operating institute Translation of financial statements Exchange differences	(\$ 8,944)	(1)	(\$ 12,612)	(1)

(Continue)

(Continue)

Code		2021		2020	
		Amount	%	Amount	%
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(892)	-	(2,347)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,967	-	2,992	-
8360		(7,869)	(1)	(11,967)	(1)
8300	Total other comprehensive income	(6,946)	(1)	(18,632)	(2)
8500	Total comprehensive income	<u>\$ 21,931</u>	<u>1</u>	<u>\$ 51,108</u>	<u>4</u>
	Earnings per Share (note 27)				
9710	Basic	<u>\$ 0.30</u>		<u>\$ 0.74</u>	
9810	Dilute	<u>\$ 0.28</u>		<u>\$ 0.65</u>	

The accompanying notes are an integral part of the individual financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 31, 2022)

Tex Year Industries Inc.
Individual Statement of Changes in Equity
January 1 to December 31, 2021 and 2020

In thousand of New Taiwan Dollars.

							Other equity items (notes 4, 8 and 26)			
		Share capital		Capital from retained earnings				Foreign operating institute Translation of financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
		Common stock	Certificates of rights to exchange bonds for shares	(notes 4 and 18	Retained earnings (notes 4, 8, 18, 22, 23 and 26)			Exchange differences		Total equity
Code		(notes 4 and 23)	(notes 4 and 18)	and 23)	Legal reserve	Special reserve	Undistributed earnings			
A1	Balance on January 1, 2020	\$ 885,767	\$ 1,027	\$ 68,494	\$ 121,416	\$ 54,831	\$ 54,068	(\$ 86,226)	(\$ 9,000)	\$ 1,090,377
	Appropriation and distribution of retained earnings for 2019									
B1	Legal reserve appropriated	-	-	-	4,418	-	(4,418)	-	-	-
B3	Special reserve appropriated	-	-	-	-	40,395	(40,395)	-	-	-
B5	Cash dividends of ordinary share	-	-	(26,753)	-	-	-	-	-	(26,753)
I1	Conversion of convertible bonds	7,063	12,143	6,829	-	-	-	-	-	26,035
I3	Conversion of certificates of bonds-to-share	1,027	(1,027)	-	-	-	-	-	-	-
D1	Profit of 2020	-	-	-	-	-	69,740	-	-	69,740
D3	Other comprehensive income of 2020	-	-	-	-	-	(3,079)	(11,967)	(3,586)	(18,632)
D5	Total comprehensive income of 2020	-	-	-	-	-	66,661	(11,967)	(3,586)	51,108
Z1	Balance on December 31, 2020	893,857	12,143	48,570	125,834	95,226	75,916	(98,193)	(12,586)	1,140,767
	Appropriation and distribution of retained earnings for 2020									
B1	Legal reserve appropriated	-	-	-	6,666	-	(6,666)	-	-	-
B3	Special reserve appropriated	-	-	-	-	15,553	(15,553)	-	-	-
B9	Dividend to the Company's shareholders	45,321	-	-	-	-	(45,321)	-	-	-
I1	Conversion of convertible bonds	28,006	150	10,107	-	-	-	-	-	38,263
I3	Conversion of bond conversion right certificate into share capital	12,143	(12,143)	-	-	-	-	-	-	-
D1	Net income in 2021	-	-	-	-	-	28,877	-	-	28,877
D3	Other comprehensive income after tax in 2021	-	-	-	-	-	923	(7,869)	-	(6,946)
D5	Total comprehensive income in 2021	-	-	-	-	-	29,800	(7,869)	-	21,931
Z1	Balance on December 31, 2021	\$ 979,327	\$ 150	\$ 58,677	\$ 132,500	\$ 110,779	\$ 38,176	(\$ 106,062)	(\$ 12,586)	\$ 1,200,961

The accompanying notes are an integral part of the individual financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 31, 2022)

Tex Year Industries Inc.
Individual Cash Flow Statement
January 1 to December 31, 2021 and 2020

		In thousand of New Taiwan Dollars.	
Code		2021	2020
	Cash flow from business activities		
A00010	Net profit before tax	\$ 34,843	\$ 76,747
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expenses	35,038	31,560
A20200	Amortization expenses	2,404	2,415
A20300	Expected credit impairment loss	(1,586)	7,721
A20400	Net loss on financial assets and liabilities at fair value through profit or loss	(1,934)	(560)
A20900	Finance costs	10,727	12,729
A21200	Interest income	(1,416)	(896)
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(32,199)	(84,170)
A22500	Losses (gains) on disposals of property, plant and equipment	(30)	28
A23800	Losses (gains) on Loss on inventory valuation loss and sluggish inventory	(1,201)	2,516
A23900	Unrealized (realized) gains from subsidiaries and joint ventures	5,949	(559)
A24100	Unrealized foreign exchange loss (gain)	1,748	2,508
A29900	Provision for (reversal of) liabilities	12	(620)
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at fair value through profit or loss, mandatorily measured at fair value	77	-
A31130	Notes receivable	(1,557)	(654)
A31150	Accounts receivable	(60,682)	(677)
A31160	Accounts receivable - related parties	13,029	(1,615)
(Continue)			

(Continue)

Code		2021	2020
A31180	Other receivable	8,281	(10,840)
A31190	Other receivables - related party	(30,879)	14,991
A31200	Inventories	(45,115)	17,006
A31240	Other current assets	(6,317)	(8,326)
A32150	Accounts payable	43,168	2,568
A32160	Accounts payable - related parties	4,140	8,135
A32180	Other payable	(10,135)	17,027
A32190	Other payable to related parties	\$ 67	(\$ 72)
A32230	Decrease in other current liabilities	4,629	(11,247)
A32240	Net defined benefit liability – non-current	(<u>3,452</u>)	(<u>2,324</u>)
A33000	Cash inflow generated from operations (applications)	(32,391)	73,391
A33100	Interest received	1,416	943
A33300	Interest paid	(8,176)	(8,259)
A33500	Income taxes refunded (paid)	(<u>10,722</u>)	<u>2,622</u>
AAAA	Net cash inflow (outflow) from operating activities	(<u>49,873</u>)	<u>68,697</u>
Cash flows from (used in) investing activities			
B00040	Acquisition of financial assets at amortised cost	(7,721)	-
B00050	Proceeds from disposal of financial assets at amortised cost	-	19,924
B00100	Acquisition of financial assets at fair value through profit or loss	(5,000)	-
B02700	Acquisition of property, plant and equipment	(15,440)	(40,300)
B02800	Proceeds from disposal of property, plant and equipment	30	-
B03700	Decrease (increase) in refundable deposits	174	(1,700)
B04500	Acquisition of intangible assets	(2,810)	(4,051)
B06700	Increase in other non-current assets	-	(469)
B07100	Increase in prepayments for business facilities	(45,823)	(3,509)

(Continue)

(Continue)

Code		2021	2020
B07600	Dividends received	<u>76,542</u>	<u>5,316</u>
BBBB	Net cash flows from (used in) investing activities	(<u>48</u>)	(<u>24,789</u>)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	181,664	11,203
C01600	Proceeds from long-term debt	40,000	60,000
C01700	Repayments of long-term debt	(110,873)	(50,541)
C04020	Payments of lease liabilities	(2,193)	(1,504)
C04400	Decrease in other non-current liabilities	(25)	(25)
C04500	Cash dividends paid	<u>-</u>	(<u>26,753</u>)
CCCC	Net cash inflow (outflow) from financing activities	<u>108,573</u>	(<u>7,620</u>)
EEEE	Net increase in cash	58,652	36,288
E00100	Cash at beginning of period	<u>162,199</u>	<u>125,911</u>
E00200	Cash at end of period	<u>\$ 220,851</u>	<u>\$ 162,199</u>

The accompanying notes are an integral part of the individual financial statements.
(please refer to the audit report of Deloitte & Touche Taiwan dated March 31, 2022)

Comparison Table for the Amendment to “Rules and Procedures of Board of Directors Meetings ”.

After Amendment	Before Amendment	Reason
Article 3: Date of Board Meeting 1. The first meeting of each term of the board of directors shall be convened within 15 days after the re-election. However, in case the re-election of directors was conducted prior to the expiration of the term of office of the directors of the preceding term, and a resolution was adopted not to discharge the directors of the preceding term until the expiration of the term of their offices as directors, the first meeting of the newly elected directors shall be convened within 15 days after expiration of the term of office of the directors of the preceding term. 2. The Board of Directors shall meet at least quarterly for business purposes, and shall give seven days' notice to the Directors. In emergency circumstances, the Board meeting may be convened at any time. 3. The notice of Board meeting in this Article may be sent via electronic means with respective Board member's consent.	Article 3: Date of Board Meeting 1. The first meeting of each term of the board of directors shall be convened within 15 days after the re-election. However, in case the re-election of directors was conducted prior to the expiration of the term of office of the directors of the preceding term, and a resolution was adopted not to discharge the directors of the preceding term until the expiration of the term of their offices as directors, the first meeting of the newly elected directors shall be convened within 15 days after expiration of the term of office of the directors of the preceding term. 2. The Board of Directors shall meet at least quarterly for business purposes, and shall give seven days' notice to each director <u>and supervisor</u>. In emergency circumstances, the Board meeting may be convened at any time. 3. The notice of Board meeting in this Article may be sent via electronic means with respective Board member's consent.	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.
Article 4: Time for notice: In accordance with Article 204 of the Company Act, the reasons for calling a Board meeting shall be notified to each	Article 4: Time for notice: In accordance with Article 204 of the Company Act, the reasons for calling a Board meeting shall be notified to each	As the Company has set up an audit committee,

After Amendment	Before Amendment	Reason
director at least seven days in advance. In emergency circumstances, however, a Board meeting may be called at short notice.	director <u>and supervisor</u> at least seven days in advance. In emergency circumstances, however, a Board meeting may be called at short notice.	the description of the original supervisor's duties and responsibilities has been revised accordingly.
Article 5: Materials of the board meeting 1. The Board of Directors of the Company has appointed the <u>Chairman's Office</u> to handle the administrative affairs for the Board. The Office shall prepare agenda items for board of directors' meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.	Article 5: Materials of the board meeting 1. The Board of Directors of the Company has appointed the <u>Finance and Accounting Department</u> to handle the administrative affairs for the Board. The Office shall prepare agenda items for board of directors' meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting.	Amended the agenda working group for the Board.
Article 6: Convener of Board Meeting 1. Where a meeting of the board of directors is called by the chairman of the board, the meeting shall be chaired by the chairman. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director <u>with power to convene</u>; if there are two or more directors so entitled to call the	Article 6: Convener of Board Meeting 1. Where a meeting of the board of directors is called by the chairman of the board, the meeting shall be chaired by the chairman. However, where the first meeting of each newly elected board of directors is called by the director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected, the meeting shall be chaired by that director; if there are two or more directors so entitled to call the meeting, they shall choose one	Amended the wording.

After Amendment	Before Amendment	Reason
meeting, they shall choose one person by and from among themselves to chair the meeting.	person by and from among themselves to chair the meeting.	
Article 8: When holding a Board meeting, the Chairman may, as necessary for the agenda items of the meeting, notify the staff from subsidiary(ies) to attend the meeting as nonvoting participants. When necessary, the Chairman may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and give explanations. However, such nonvoting participants shall leave the Board meeting during discussion and voting process of the Board.	Article 8: <u>Personnel Attending the Board Meeting</u> <u>1. Supervisors may attend the Board' meetings to give their opinions, but may not participate in voting.</u> <u>2. Where a meeting of the board of directors is called by a majority of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</u> <u>3. When holding a Board meeting, the</u> Chairman may, as necessary for the agenda items of the meeting, notify the staff from subsidiary(ies) to attend the meeting as nonvoting participants. When necessary, the Chairman may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and give explanations. However, such nonvoting participants shall leave the Board meeting during discussion and voting process of the Board.	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.
Article 9: The chair of the board meeting shall call the meeting to order at the designated time when a quorum of more than half of the Directors is present. When the time of a meeting has	Article 9: The chair of the board meeting shall call the meeting to order at the designated time when a quorum of more than half of the Directors is present. When the time of a meeting has	Adjusted the article number.

After Amendment	Before Amendment	Reason
arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements, in combined total of not more than one hour. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 4, paragraph 1. The term "all board directors" as used in the preceding paragraph and in <u>Article 12</u>, Paragraph <u>1</u> and Article 13, Paragraph 4 shall be shall be calculated as the number of directors then in office.	arrived and one-half all board directors are not present, the meeting chair may announce postponement of the meeting time, provided that only two postponements, in combined total of not more than one hour. If the quorum is still not met after two such delays, the chair shall re-call the meeting following the procedures provided in Article 4, paragraph 1. The term "all board directors" as used in the preceding paragraph and in <u>Article 16</u>, Paragraph <u>2</u> <u>Subparagraph 2</u> shall be shall be calculated as the number of directors then in office.	
Article 13: 3. Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following: (1) Session (or year), time, and place of meeting. (omitted) (7) Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or	Article 13: 3. Minutes shall be prepared of the discussions at board of directors meetings. The meeting minutes shall record the following: (1) Session (or year), time, and place of meeting. (omitted) (7) Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by directors, <u>supervisors</u>, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities and article number have been revised accordingly.

After Amendment	Before Amendment	Reason
reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article <u>11</u>, paragraph 4. (8) Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, experts, or other persons; the name of any director that is an interested party as referred to in <u>Article 14</u> paragraph 1, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing. (9) Other matters required to be recorded. 4. Public announcement Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on the Market Observation Post System designated by the Financial Supervisory Commission: (1) Any matter about which an independent director expresses an	expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an independent director under Article <u>12</u>, paragraph 4. (8) Extraordinary motions: the name of the mover; the method of resolution and the result for each motion; a summary of the comments made by directors, <u>supervisors</u>, experts, or other persons; the name of any director that is an interested party as referred to in paragraph 1 of the <u>preceding paragraph</u>, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing. (9) Other matters required to be recorded. 4. Public announcement Any of the following matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on the Market Observation Post System designated by the Financial Supervisory Commission: Any matter about which an independent	

After Amendment	Before Amendment	Reason
objection or reservation that has been included in records or stated in writing. <u>(2) Any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee.</u> 5. The minutes of a board of directors meeting announced shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director within 20 days after the meeting and well preserved as important company records during the existence of the company. The production and distribution of the meeting minutes referred to in Article 13, paragraph 3 may be done in electronic form.	director expresses an objection or reservation that has been included in records or stated in writing. 5. The minutes of a board of directors meeting announced shall bear the signature or seal of both the meeting chair and the minutes taker; a copy of the minutes shall be distributed to each director <u>and supervisor</u> within 20 days after the meeting and well preserved as important company records during the existence of the company. The production and distribution of the meeting minutes referred to in Article 13, paragraph 3 may be done in electronic form.	

Attachment 6

Comparison Table for Amendments to the “Code of Ethics for Directors, Supervisors and Managers”.

After Amendment	Before Amendment	Reason
Code of Ethical Conduct for Directors and Managerial Officers	Code of Ethical Conduct for Directors, <u>Supervisors</u> and Managerial Officers	Rename the Regulations
Article 2: Scope: Directors, and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the Company).	Article 2: Scope: Directors, <u>supervisors</u> , and managerial officers of the Company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the Company).	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.
V. Operations: 1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a director, or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of	V. Operations: 1. Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the Company, as for example when a director, <u>supervisor</u> , or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

After Amendment	Before Amendment	Reason
kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, <u>audit committee</u>, and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company. 2. Minimizing incentives to pursue personal gain: The company shall prevent its directors, or managerial officers from engaging in any of the following activities: 2.1 Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. 2.2 Obtaining personal gain by using company property or information or taking advantage of their positions. 2.3 Competing with the company. When the company has an opportunity for profit, it is the responsibility of the directors, or managerial officers to maximize	kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, <u>supervisors</u>, and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company. 2. Minimizing incentives to pursue personal gain: The Company shall prevent its directors, <u>supervisors</u>, or managerial officers from engaging in any of the following activities: 2.1 Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. 2.2 Obtaining personal gain by using company property or information or taking advantage of their positions. 2.3 Competing with the Company. When the Company has an opportunity for profit, it is the responsibility of the directors, <u>supervisors</u>, or managerial officers to maximize the reasonable and	

After Amendment	Before Amendment	Reason
the reasonable and proper benefits that can be obtained by the company. 3. Confidentiality: The directors, or managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers. 4. Fair trade: Directors, or managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices. 5. Safeguarding and proper use of company assets: All directors, or managerial officers have the responsibility to safeguard	proper benefits that can be obtained by the Company. 3. Confidentiality: The directors, <u>supervisors</u>, or managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers. 4. Fair trade: Directors, <u>supervisors</u>, or managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices. 5. Safeguarding and proper use of company assets: All directors, <u>supervisors</u>, or managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business	

After Amendment	Before Amendment	Reason
company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability. 6. Legal compliance: (omitted) 7. Encouraging reporting on illegal or unethical activities: The Company shall raise awareness of ethics internally and encourage employees to report to <u>the audit committee</u>, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals. 8. Disciplinary measures: When a director, or managerial officer violates the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System	purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability. 6. Legal compliance: (omitted) 7. Encouraging reporting on illegal or unethical activities: The Company shall raise awareness of ethics internally and encourage employees to report to a company <u>supervisor</u>, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals. 8. Disciplinary measures: When a director, <u>supervisor</u>, or managerial officer violates the code of ethical conduct, the Company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions	

After Amendment	Before Amendment	Reason
(MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establish a relevant complaint system to provide the violator with remedies. 9. Procedures for exemption The code of ethical conduct adopted by the Company must require that any exemption for directors, or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs. 10. Method of disclosure: (omitted) 11. Enforcement: The Company's code of	taken. It is advisable that the Company establish a relevant complaint system to provide the violator with remedies. 9. Procedures for exemption The code of ethical conduct adopted by the Company must require that any exemption for directors, <u>supervisors</u>, or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs. 10. Method of disclosure: (omitted) 11. Enforcement: The Company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors, <u>delivered to each supervisor, and</u> submitted to a shareholders meeting.	

After Amendment	Before Amendment	Reason
ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors, and submitted to a shareholders meeting. The same applies to amendments.	The same applies to amendments.	

Comparison Table for Amendments to the “Procedures and Instructions of Ethical Corporate Management”.

After Amendment	Before Amendment	Reason
Article 2: For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations. Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.	Article 2: For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, <u>supervisor</u>, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations. Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.
Article 11: 1. When a director, officer or other stakeholder of the Company or its group enterprises and organizations attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall	Article 11: 1. When a director, <u>supervisor</u>, officer or other stakeholder of the Company or its group enterprises and organizations attending or present at a board meeting, or the juristic person represented thereby, has a stake in a matter under discussion in the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

After Amendment	Before Amendment	Reason
exercise discipline among themselves, and may not support each other in an inappropriate manner.	exercise discipline among themselves, and may not support each other in an inappropriate manner.	
Article 21: Handling of unethical conduct by personnel of the Company (omitted) The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters: (1) An information shall be reported to the department head if involving the rank and file and to <u>Audit Committee</u> if involving a director or a senior executive.	Article 21: Handling of unethical conduct by personnel of the Company (omitted) The responsible unit of the Company shall observe the following procedure in handling whistleblowing matters: (1) An information shall be reported to the department head if involving the rank and file and to <u>an independent director or supervisor</u> if involving a director or a senior executive.	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.
Article 24: These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be reported to the shareholders' meeting. The same applies to amendments.	Article 24: Implementation: These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be <u>delivered to each supervisor and</u> reported to the shareholders meeting. The same applies to amendments.	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

Comparison Table for the Amendments to “the Article of Incorporation”.

After Amendment	Before Amendment	Reason
Article 1: This Company shall be incorporated in accordance with the Company Act, and its name shall be TEX YEAR INDUSTRIES INC. in the Chinese language, and TEXYEARINDUSTRIESINC_ in the English language.	Article 1: This Company shall be incorporated in accordance with the Company Act, and its name shall be TEX YEAR INDUSTRIES INC. in the Chinese language, and TEXYEARINDUSTRIESINC in the English language.	The wording was revised (the English name of the Company).
Article 8: Shareholders’ meetings of this Company are classified into (1) regular meetings and (2) special meetings. The board of directors shall convene regular meetings within six months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law. <u>For a public company, a notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. In case a public company intends to convene a special meeting of shareholders, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.</u> <u>The reasons for convening a shareholders meeting shall be specified in the meeting notice. With the consent of the addressee, the meeting notice may be given in electronic form.</u>	Article 8: Shareholders’ meetings of this Company are classified into (1) regular meetings and (2) special meetings. The board of directors shall convene regular meetings within six months after the close of each fiscal year. Special meetings shall be convened, whenever deemed necessary in accordance with the law.	In line with the amendment of the Company Act.

After Amendment	Before Amendment	Reason
<u>Article 8-1:</u> <u>The shareholders' meeting of the Company can be held by means of visual communication network or other methods promulgated by the central competent authority. In case a shareholders' meeting is proceeded via visual communication network, then the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</u>		This article is added to comply with the laws and regulations stipulated by the FSC.
Chapter IV Directors and Functional Committees	Chapter IV Directors, <u>Supervisors</u> and Functional Committees	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.
Article 13: This Company shall have nine to eleven directors, shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office for directors shall be three years. The directors are eligible for re-election. After this Company has been publicly listed, the percentage of shareholdings of all the directors selected shall be subject to the provisions prescribed by the competent authority in charge of securities affairs.	Article 13: This Company shall have nine to eleven directors, <u>and three supervisors</u>. They shall be elected by the shareholders' meeting from among the persons with disposing capacity. The term of office for directors shall be three years. The directors and supervisors are eligible for re-election. After this Company has been publicly listed, the percentage of shareholdings of all the directors <u>and supervisors</u> selected shall be subject to the provisions prescribed by the competent authority in charge of securities	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

After Amendment	Before Amendment	Reason
	affairs.	
Article 13-2: The Company's Board of Directors may establish the kinds of other functional committees of which the committee charter shall be approved by the Board of Directors.	Article 13-2: The Company's Board of Directors may establish the kinds of other functional <u>specialty</u> committees of which the committee charter shall be approved by the Board of Directors. <u>The Company has established the audit committee in lieu of the supervisor in accordance with the law.</u>	Amend the text in response to the establishment of the Audit Committee of the Company.
Article 13-3: The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise. Regulations governing exercise by the audit committee and its powers, and matters related thereto, shall be in accordance with the Securities and Exchange Act and related laws and regulations.		This article is added in response to the establishment of the Audit Committee of the Company.

After Amendment	Before Amendment	Reason
Article 15: The dismissal of a director of the Company shall be specified in the notice of the reasons for convening the shareholders meeting. It shall not be raised by an extraordinary motion.	Article 15: The dismissal of a director or <u>supervisor</u> of the Company shall be specified in the notice of the reasons for convening the shareholders meeting. It shall not be raised by an extraordinary motion.	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.
Article 18: The Board of Directors is authorized to determine the compensation for the directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry, no matter whether the Company has profit or suffered loss.	Article 18: The Board of Directors is authorized to determine the compensation for the directors <u>and supervisors</u>, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry, no matter whether the Company has profit or suffered loss.	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.
	<u>Article 19:</u> <u>Except for carrying out the duties in accordance with the law, supervisors may attend the board of directors' meetings, but may not have voting rights.</u>	This article has been deleted as the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities

After Amendment	Before Amendment	Reason
		has been revised accordingly.
Article <u>19</u> This Company has one President. The appointment, removal, and compensation of the President shall be made in accordance with Article 29 of the Company Act.	Article <u>20</u> This Company has one President. The appointment, removal, and compensation of the President shall be made in accordance with Article 29 of the Company Act.	Adjusted the article number.
Article <u>20</u>: Upon closing of each fiscal year, the board of directors shall prepare the following documents and submit them to the <u>Audit Committee</u> for review 30 days prior to the regular shareholders' meeting for ratification: 1. Business report. 2. Financial statements. 3. Proposals of profit allocation or loss offsetting.	Article <u>21</u>: Upon closing of each fiscal year, the board of directors shall prepare the following documents and submit them to the <u>supervisors</u> for review 30 days prior to the regular shareholders' meeting for ratification: 1. Business report. 2. Financial statements. 3. Proposals of profit allocation or loss offsetting.	1. Adjusted the article number. 2. As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

After Amendment	Before Amendment	Reason
Article <u>21</u>: The Company shall maintain a register of shareholders in the Company. Share affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.	Article <u>22</u>: The Company shall maintain a register of shareholders in the Company. Share affairs shall be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.	Adjusted the article number.

After Amendment	Before Amendment	Reason
Article <u>22</u>: Where there is pre-tax profit before deducting employees' compensation, and directors and supervisors' remuneration at the end of each fiscal year, after covering the accumulated losses, the Company should allocate 1% to 10% of the remaining balance to employees' compensation and up to 3% to directors and supervisors' remuneration in order to provide incentives to employees and management team. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting. Qualification requirements of employees entitled to receive compensation in the form of stock or cash include the employees of parents or subsidiaries of the company meeting certain specific requirements. Where the Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous year, the Company shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. After the special reserve has been appropriated or reversed in accordance with the law, it shall be retained or distributed together with the	Article <u>23</u>: Where there is pre-tax profit before deducting employees' compensation, and directors and supervisors' remuneration at the end of each fiscal year, after covering the accumulated losses, the Company should allocate 1% to 10% of the remaining balance to employees' compensation and up to 3% to directors and supervisors' remuneration in order to provide incentives to employees and management team. The Company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting. Qualification requirements of employees entitled to receive compensation in the form of stock or cash include the employees of parents or subsidiaries of the company meeting certain specific requirements. Where the Company has earnings at the end of the fiscal year, after paying all relevant taxes, making up losses of previous year, the Company shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. After the special reserve has been appropriated or reversed in accordance with the law, it shall be retained or distributed together with the	- Adjusted the article number. - This Article is added in accordance with Article 240, Paragraph 5 of the Company Act.

After Amendment	Before Amendment	Reason
accumulated undistributed earnings of previous years by resolution of the shareholders' meeting. The Company's dividend policy takes into account the significant expansion plans and capital expenditures in the coming years. The distribution of dividends to shareholders shall be at least 50% of the distributable earnings of the year, less legal reserve and special reserve, of which cash dividends shall account for at least 20% of the total dividends to shareholders, provided that cash dividends of less than NT\$0.50 per share (inclusive) may be paid in the form of stock dividends instead.<u>If the distribution is made in the form of cash, the Board of Directors shall be authorized to resolve the cash distribution by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, in accordance with Article 240, Paragraph 5 of the Company Act, and shall report the distribution to the shareholders' meeting.</u>	accumulated undistributed earnings of previous years by resolution of the shareholders' meeting. The Company's dividend policy takes into account the significant expansion plans and capital expenditures in the coming years. The distribution of dividends to shareholders shall be at least 50% of the distributable earnings of the year, less legal reserve and special reserve, of which cash dividends shall account for at least 20% of the total dividends to shareholders, provided that cash dividends of less than NT\$0.50 per share (inclusive) may be paid in the form of stock dividends instead.	

After Amendment	Before Amendment	Reason
<u>Article 23:</u> The Company may invest in other businesses, and the percentage of such investment shall not be subject to the limits set forth in Article 13 of the Company Act.	<u>Article 24:</u> The Company may invest in other businesses, and the percentage of such investment shall not be subject to the limits set forth in Article 13 of the Company Act.	Adjusted the article number.
<u>Article 24:</u> The Company may provide guarantees to another company in the same industry.	<u>Article 25:</u> The Company may provide guarantees to another company in the same industry.	Adjusted the article number.
<u>Article 25:</u> The Company Act and related regulations shall govern any matter not provided in the Articles of Incorporation.	<u>Article 26:</u> The Company Act and related regulations shall govern any matter not provided in the Articles of Incorporation.	Adjusted the article number.
<u>Article 26:</u> These Articles of Incorporation were approved on April 13, 1976. The first amendment was made on June 20, 1978, ...(omitted)..., the forty-first amendment was made on July 26, 2021. <u>The forty-second amendment was made on June 27, 2022.</u>	<u>Article 27:</u> These Articles of Incorporation were approved on April 13, 1976. The first amendment was made on June 20, 1978, ...(omitted)..., the forty-first amendment was made on July 26, 2021.	1. Adjusted the article number. 2. The date of the amendment to the Articles of Incorporation was added.

Comparison Table for the Amendment to Rules of the “Rules and Procedures of Shareholders Meeting”

After Amendment	Before Amendment	Reason
<u>Article 1:</u> <u>To establish a strong governance system and sound supervisory capabilities for the Company'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.</u>		This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.
<u>Article 2:</u> The rules of procedures for TEX YEAR INDUSTRIES INC. 's (collectively "the Company") shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.	<u>Article 1:</u> The TEX YEAR INDUSTRIES INC. 's (collectively "the Company") shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be conducted in these Rules.	Amended the article number.
<u>Article 3:</u> Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. <u>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</u> The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of an explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall	<u>Article 2:</u> Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of an explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, <u>supervisors</u>, 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	一、 Amended the article number. 二、 Added the paragraph 2 in order to inform the shareholders that there is a change in the means of holding the shareholders' meeting, the Board of Directors shall resolve the change in the means of holding the shareholders' meeting, and the change shall be made no later than the date of

After Amendment	Before Amendment	Reason
prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. <u>If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</u> In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby. <u>This 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:</u> <u>1. For physical shareholders meetings, to be distributed on-site at the meeting.</u> <u>2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.</u> <u>3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.</u>	meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall be displayed at the Company and the professional shareholder services agent designated thereby, <u>and distributed on-site at the meeting.</u>	mailing the notice of the shareholders' meeting. 三、 In order for the Company to hold virtual shareholders' meetings, there are different means of holding shareholders' meetings, such as physical meeting and virtual meeting. Amended paragraph 3 and added paragraph 4 in order to provide the shareholders who attend the physical shareholders' meeting or virtual shareholders' meeting the opportunity to have access to the shareholders' meeting agenda and supplementary meeting materials on the day of the shareholders' meeting. 四、 This article is amended in accordance with

After Amendment	Before Amendment	Reason
The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the company, or any matter under Article 185, paragraph 1 of the <u>Company Act</u>, <u>Articles 26-1 and 43-6 of the Securities Exchange Act</u>, <u>Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.	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 <u>or supervisors</u>, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the company, or any matter under Article 185, paragraph 1 shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Where re-election of all directors <u>or supervisors</u>, as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal	the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE. 五、 As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

After Amendment	Before Amendment	Reason
When the circumstances of any subparagraph of Article <u>172-1</u>, paragraph <u>4</u> of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. <u>A shareholder may propose a recommendation for urging the company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</u> Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results,	containing more than one item will be included in the meeting agenda. <u>However, a shareholder's proposal for urging a company to promote public interests or fulfill its social responsibilities may still be included in the list of proposals to be discussed at a regular meeting of shareholders by the board of directors.</u> When the circumstances of any subparagraph of Article <u>172-1</u>, paragraph <u>4</u> of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall	

After Amendment	Before Amendment	Reason
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.	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.	
<u>Article 4:</u> <u>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</u> <u>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</u> <u>After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the</u>		This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

After Amendment	Before Amendment	Reason
<u>meeting by the proxy shall prevail.</u> <u>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.</u>		
Article 5: (Principles determining the time and place of a shareholders meeting) The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. <u>Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</u> <u>The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.</u>	Article 3: The venue of the <u>Company's</u> shareholders' meetings shall be at the place where the Company <u>operates</u> 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. the meeting.	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.
Article 6: (Preparation of documents such as the attendance book) The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, <u>solicitors and proxies (collectively "shareholders")</u> will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be	Article 4: The Company shall specify in its shareholders meeting notices the time during which attendance registrations for 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	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by

After Amendment	Before Amendment	Reason
at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts.</u> <u>Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u> Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. <u>the Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders.</u> Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. <u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the</u>	stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>Shareholders or a pshall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance.</u> <u>Solicitors soliciting proxy forms shall also bring identification documents for verification.</u> The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors <u>or supervisors</u>, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.	TWSE. 3. As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

After Amendment	Before Amendment	Reason
<u>Company two days before the meeting date.</u> <u>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u>		
<u>Article 6-1</u> <u>(Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice)</u> <u>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</u> 一、 <u>How shareholders attend the virtual meeting and exercise their rights.</u> 二、 <u>Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars</u> (1) <u>To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</u> (2) <u>Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</u>		This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

After Amendment	Before Amendment	Reason
(3) <u>In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</u> (4) <u>Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.</u> 三、<u>When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>		

After Amendment	Before Amendment	Reason
Article <u>7</u>: <u>(The chair and non-voting participants of a shareholders meeting)</u> 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, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. <u>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</u>	Article <u>5</u>: 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, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair. <u>It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.</u>	一、 Amended the article number. 二、 This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

After Amendment	Before Amendment	Reason
<u>attendance shall be recorded in the meeting minutes.</u> If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.	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 Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.	
<u>Article 8:(Documentation of a shareholders meeting by audio or video)</u> The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation. <u>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the</u>	Article 6: The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.	一、Amended the article number. 二、This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

After Amendment	Before Amendment	Reason
<u>virtual meeting from beginning to end.</u> <u>The information and audio and video recording in the preceding paragraph shall be properly kept by the Company 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.</u> <u>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</u>		
Article <u>9</u>: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, <u>and the shares checked in on the virtual meeting platform</u>, plus the number of shares whose voting rights are exercised by correspondence or electronically. The chair shall <u>call the meeting to order</u> 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 <u>postponement</u>, provided that no more than two such <u>postponements</u>, 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	Article <u>7</u>: 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 meeting shall be called to order <u>by</u> the chair at the appointed meeting time and <u>relevant information</u> such as concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting shall be disclosed at the same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a <u>postponement</u>, provided that no more than two such <u>postponements</u>, for a combined total of no more than one hour. If the quorum is not met after two postponements and the attending shareholders still represent less than one	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

After Amendment	Before Amendment	Reason
shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. <u>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.</u> If the quorum is not met after <u>two</u> postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. <u>In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.</u> When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.	third of the total number of issued shares, the chair shall declare the meeting adjourned. If the quorum is not met after <u>two</u> 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 shall resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.	
Article <u>10</u>: 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 <u>in the order set by</u> the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions <u>of</u> the preceding paragraph	Article <u>8</u>: 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 by the scheduled agenda, which may not be changed without a resolution of the shareholders meeting. The provisions in the preceding paragraph	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by

After Amendment	Before Amendment	Reason
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.	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.	TWSE.

After Amendment	Before Amendment	Reason
Article <u>11</u>: <u>(Shareholder speech)</u> Before speaking, an attending shareholder must <u>specify on</u> a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The <u>order</u> 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 <u>9</u>: Before speaking, an attending shareholder must <u>fill in</u> a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The <u>priority</u> 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, <u>or disrupts the order of the meeting</u>, the chair may terminate <u>or suspend</u> 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.	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

After Amendment	Before Amendment	Reason
<u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.</u> <u>As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</u>		

After Amendment	Before Amendment	Reason
Article <u>12</u>: (Calculation of voting shares and recusal system) <u>Voting at a shareholders meeting shall be calculated based the number of shares.</u> <u>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.</u> <u>When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.</u> <u>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.</u> <u>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.</u>	Article <u>10</u>: <u>Except for special resolutions as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. A resolution shall be deemed adopted if no opposition is raised when the person presiding over the meeting makes an oral inquiry to the shareholders concerning the acceptance of the same, and such resolution shall have the same effect as a voting by ballot.</u>	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.
Article <u>13</u>: A shareholder shall be entitled to one vote for each share held, except when the shares	Article <u>11</u>: A shareholder shall be entitled to one vote for each share held, except when the shares	1. Amended the article number. 2. This article is

After Amendment	Before Amendment	Reason
are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, But to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person <u>or online</u>, a written declaration of intent to retract the voting rights already	are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, But to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised	added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

After Amendment	Before Amendment	Reason
exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed	under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the	

After Amendment	Before Amendment	Reason
rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote. <u>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u> <u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u> <u>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders</u>	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 Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.	

After Amendment	Before Amendment	Reason
<u>meeting online.</u> <u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u>		
Article <u>14</u>: The <u>election</u> of directors at a shareholders meeting <u>shall</u> be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors 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 recording shall be retained until the conclusion of the litigation.	Article <u>12</u>: The election of directors and <u>supervisors</u> at a shareholders meeting is held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and <u>supervisors</u> 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 recording shall be retained until the conclusion of the litigation.	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE. 3. As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

After Amendment	Before Amendment	Reason
Article <u>15</u>: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company. <u>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</u>	Article <u>13</u>: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors <u>and supervisors.</u> The minutes shall be retained for the duration of the existence of the Company.	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE. 3. As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

After Amendment	Before Amendment	Reason
<u>When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.</u>		
Article <u>17</u>: <u>(Maintaining order at the meeting place)</u> 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." <u>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 Company, the chair may prevent the shareholder from so doing.</u> <u>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.</u>	Article <u>14</u>: 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."	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

After Amendment	Before Amendment	Reason
<u>Article 18: (Recess and resumption of a shareholders meeting)</u> <u>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.</u> <u>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.</u> <u>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.</u>	Article 15: <u>When the meeting is in session, if there is an air raid alarm, the meeting will be stopped and the participants will evacuate. The meeting will be resumed one hour after the alarm is lifted.</u>	1. Amended the article number. 2. This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.
<u>Article 19: (Disclosure of information at virtual meetings)</u> <u>In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.</u>		This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.
<u>Article 20: (Location of the chair and secretary of virtual-only shareholders meeting)</u> <u>When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.</u>		This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

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<u>Article 21: (Handling of disconnection)</u> <u>In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u> <u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u> <u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</u> <u>For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number</u>		This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.

After Amendment	Before Amendment	Reason
<u>of election rights represented at the postponed or resumed session.</u> <u>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 which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</u> <u>When the Company 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.</u> <u>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.</u> <u>When postponing or resuming a meeting according to the second paragraph, the Company 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.</u> <u>For dates or period set forth under Article</u>		

After Amendment	Before Amendment	Reason
<u>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 Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</u>		
<u>Article 22: (Handling of digital divide)</u> <u>When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</u>		This article is added in accordance with the sample template of the "Rules of Procedure for Shareholders Meetings" as promulgated by TWSE.
Article 23: All matters not provided for in these rules shall be governed by the Company Act and the Company's Articles of Incorporation.	Article 16: All matters not provided for in these rules shall be governed by the Company Act and the Company's Articles of Incorporation.	Amended the article number.

After Amendment	Before Amendment	Reason
Article <u>24</u>: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. The same applies to amendments.	Article <u>17</u>: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. The same applies to amendments.	Amended the article number.

Comparison Table for the Amendments to the " Rules for Election of Directors and Supervisors".

After Amendment	Before Amendment	Reason
Regulations Governing Election of Directors	Regulations Governing Election of Directors <u>and Supervisors</u>	Rename the Regulations
Article 1 Objectives These Regulations are adopted for the purpose of governing the election of directors of the Company.	Article 1 Objectives These Regulations are adopted for the purpose of governing the election of directors <u>and supervisors</u> of the Company.	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.
Article 2 Scope Unless otherwise prescribed by the Company Act, relevant laws and regulations of the Securities and Exchange Act, or the Company's Articles of Incorporation, these Regulations shall govern the election of the Company's directors.	Article 2 Scope Unless otherwise prescribed by the Company Act, relevant laws and regulations of the Securities and Exchange Act, or the Company's Articles of Incorporation, these Regulations shall govern the election of the Company's directors <u>and supervisors</u>.	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities has been revised accordingly.

After Amendment	Before Amendment	Reason
Regulations Governing Election of Directors	Regulations Governing Election of Directors and Supervisors	Rename the Regulations
Article 3 Operations <u>1. The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs.</u> <u>Each board member shall have the necessary knowledge, skill, and experience to perform their duties.</u> <u>2. Except as approved by the competent authority, more than half of the directors of the Company elected shall have one of the following relationships:</u> <u>(1) Spousal relationship</u> <u>(2) Relationship within the second degree of kinship.</u> <u>3. The qualifications for the independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</u> <u>4. Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</u>	Article 3 Operations <u>1. The election of directors and supervisors of the Company shall adopt the candidate system and be held at the shareholders' meeting.</u>	As the Company has set up an audit committee, the description of the original supervisor's duties and responsibilities and article numbers have been revised accordingly.

After Amendment	Before Amendment	Reason
Regulations Governing Election of Directors	Regulations Governing Election of Directors and Supervisors	Rename the Regulations
<u>When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies. When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</u> 5. The cumulative voting method shall be used for election of the directors at the Company. 6. For the election of directors and supervisors of the Company, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or <u>split</u> among multiple candidates.	2. The cumulative voting method shall be used for elections of the directors and supervisors at the Company. 3. For the election of directors and supervisors of the Company, each share	

After Amendment	Before Amendment	Reason
Regulations Governing Election of Directors	Regulations Governing Election of Directors <u>and Supervisors</u>	Rename the Regulations
7. The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw <u>lots</u> to determine the winner, with the chair drawing lots on behalf of any person not in attendance. 8. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.	will have voting rights in number equal to the directors and supervisors to be elected, and may be cast for a single candidate or split <u>among</u> multiple candidates. 4. The number of directors and supervisors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw <u>lots</u> to determine the winner, with the chair drawing lots on behalf of any person not in attendance. Shareholders who are elected as both directors and supervisors in accordance with the preceding paragraph shall decide on their own to serve as directors or supervisors and shall not hold both positions at the same time. 5. The board of directors shall prepare separate ballots for directors and supervisors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights	

After Amendment	Before Amendment	Reason
Regulations Governing Election of Directors	Regulations Governing Election of Directors <u>and Supervisors</u>	Rename the Regulations
	associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders. 6. Except as approved by the competent authority, more than half of the directors of the Company elected shall have one of the following relationships: (1) Spousal relationship (2) Relationship within the second degree of kinship. (Move to the 2nd item of the operation procedure) The Company shall have at least one or more supervisors, or one or more supervisors and directors, among whom no relationship under the preceding subparagraphs exists. 7. When the elected supervisors or directors of the Company do not meet the conditions of the preceding paragraphs in this Article, determination of which directors or supervisors are elected shall be made according to the following provisions: 7.1 When there are some among the directors who do not meet the conditions, the election of the director receiving the lowest	

After Amendment	Before Amendment	Reason
Regulations Governing Election of Directors	Regulations Governing Election of Directors <u>and Supervisors</u>	Rename the Regulations
9. At the beginning of the election, the chair will announce the voting time and appoint vote inspectors and vote counters to take charge of inspecting and counting the votes. 10. The <u>ballot boxes</u> shall be prepared by the board of directors and publicly checked by the vote inspectors before voting commences. 11. If the candidate is a shareholder, voters shall fill in candidate's name and	number of votes among those not meeting the conditions shall be deemed invalid. 7.2 When there are some among the supervisors who do not meet the conditions, the provisions of the preceding subparagraph shall apply mutatis mutandis. 7.3 When there are some among the directors and supervisors who do not meet the conditions, the election of the supervisor receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid. 8. The qualifications for the independent directors of the Company shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". (Move to the 3rd item of the operational procedure) 9. At the beginning of the election, the chair will announce the voting time and appoint vote inspectors and vote counters to take charge of inspecting and counting the votes. 10. <u>In the event that both directors and supervisors are elected at the same time, separate ballot boxes</u> shall be prepared by the board of directors and	

After Amendment	Before Amendment	Reason
Regulations Governing Election of Directors	Regulations Governing Election of Directors <u>and Supervisors</u>	Rename the Regulations
shareholder's account number on the ballot, and if candidate is not a shareholder, the candidate's name and identity document number shall be filled in. In the event the government or legal entity is the candidate, both the full registered name of the government or legal entity and the name of the representative of the government or legal entity shall be entered in the name field of the candidate on the ballot; if there are several representatives, the names of the representatives shall be entered separately. 12. A ballot is invalid under any of the following circumstances: 12.1 The ballot was not prepared by a <u>person with the right to convene</u>. 12.2 A blank ballot is placed in the ballot box. 12.3 The writing is unclear and indecipherable or has been altered. 12.4 The candidate whose name is entered in the ballot does not conform to the director candidate list. 12.5 Other words or marks are entered in addition to the number of voting rights	publicly checked by the vote inspectors before voting commences. 11. If the candidate is a shareholder, voters shall fill in candidate's name and shareholder's account number on the ballot, and if candidate is not a shareholder, the candidate's name and identity document number shall be filled in. In the event the government or legal entity is the candidate, both the full registered name of the government or legal entity and the name of the representative of the government or legal entity shall be entered in the name field of the candidate on the ballot; if there are several representatives, the names of the representatives shall be entered separately. 12. A ballot is invalid under any of the following circumstances: 12.1 The ballot was not prepared by <u>the Board of Directors</u>. 12.2 A blank ballot is placed in the ballot box. 12.3 The writing is unclear and indecipherable or has been altered. 12.4 If the candidate <u>is a shareholder,</u> <u>the name and shareholder's</u> <u>account number of the candidate</u> <u>do not match the shareholders'</u>	

After Amendment	Before Amendment	Reason
Regulations Governing Election of Directors	Regulations Governing Election of Directors and Supervisors	Rename the Regulations
allotted. <u>13.</u> (omitted) 16. After checking the total number of valid and invalid votes, the vote inspector shall enter the number of valid and invalid votes and the numbers of votes into the record sheet, and then the chair shall announce the <u>list</u> of persons elected as directors and <u>the numbers of votes with which they were elected.</u>	<u>roster; if the candidate is not a shareholder, the name and identity document number</u> of the candidate do not match the roster. 12.5 Other words or marks are entered in addition to <u>the candidate's account name (name) or shareholder account number (identity document number) and</u> the number of voting rights allotted. <u>12.6 The candidate's name is the same as other shareholders and cannot be identified by the shareholder's account number or identity document number.</u> <u>13.</u> (omitted) 16. After checking the total number of valid and invalid votes, the vote inspector shall enter the number of valid and invalid votes and the numbers of votes into the record sheet, and then the chair shall announce the <u>name</u> of persons elected as directors and <u>the shareholder's account numbers.</u>	

Comparison Table for Amendment to “Procedures for Acquisition or Disposal of Assets”.

After Amendment	Before Amendment	Reason
Article 8: Disclosure items and standards Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the	Article 8: Disclosure items and standards Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: 1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the	In line with the amendment of the law.

After Amendment	Before Amendment	Reason
procedures adopted by the company. 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: 4.1 For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 4.2 For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. 5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more. 6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging	procedures adopted by the company. 4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: 4.1 For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. 4.2 For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. 5. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more. 6. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging	

After Amendment	Before Amendment	Reason
others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million. 7. Where an asset transaction other than any of those referred to in the preceding six 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: 7.1 Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u> 7.2 Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds,</u> 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	others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million. 7. Where an asset transaction other than any of those referred to in the preceding six 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: 7.1 Trading of domestic government bonds. 7.2 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 by <u>securities firm</u> in the <u>domestic primary</u> market, or subscription or redemption of	

After Amendment	Before Amendment	Reason
futures trust funds, <u>or subscription or redemption of exchange traded notes</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange. 7.3 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	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. 7.3 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)	

After Amendment	Before Amendment	Reason
year. ceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by 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. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.	of the same security within the preceding year. ceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by 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. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.	
Article 10: In acquiring or disposing of real property, equipment, or right-of-use assets	Article 10: In acquiring or disposing of real property, equipment, or right-of-use assets	In line with the

After Amendment	Before Amendment	Reason
thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a	thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a	amendment of the law.

After Amendment	Before Amendment	Reason
certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: 3.1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 3.2 The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	certified public accountant shall be engaged to <u>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</u> render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: 3.1 The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 3.2 The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	
Article 11: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the	Article 11: The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the	

After Amendment	Before Amendment	Reason
dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant <u>prior to the date of occurrence of the event</u> to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant to provide an opinion regarding the reasonableness of the transaction price; <u>and the CPA engaged needs to use the report of an expert as evidence ,the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).	
Article 12: 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.	Article 12: Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u>	In line with the amendment of the law.
Article 15: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet	Article 15: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall	In line with the amendment of the law.

After Amendment	Before Amendment	Reason
the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the self-regulatory rules of the industry associations to which they belong and</u> with the following provisions: 3.1 Prior to accepting a case, they shall prudently assess their own	meet the following requirements: 1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received. 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following provisions: 3.1 Prior to accepting a case, they shall prudently assess their own professional capabilities, practical	

After Amendment	Before Amendment	Reason
professional capabilities, practical experience, and independence. 3.2 When <u>conducting</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3.3 They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 3.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u> and reasonable, and that they have complied with applicable laws and regulations.	experience, and independence. 3.2 When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3.3 They shall undertake an item-by-item evaluation of the <u>completeness, accuracy</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 3.4 They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they have complied with applicable laws and regulations.	
Article 18: 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	Article 18: 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	In line with the amendment of the law.

After Amendment	Before Amendment	Reason
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 <u>submitted to the Audit Committee for approval and approved by the board of directors</u>: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations. 4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the	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 <u>and recognized by the supervisors</u>: 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations. 4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party. 5. Monthly cash flow forecasts for the year	

After Amendment	Before Amendment	Reason
related party. 5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund's utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. With respect to the types of transactions listed below or the acquisition or disposal of equipment held for business use, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may based on authorized amount, hierarchy, execution unit and transaction process, delegate the board chairman to decide such matters when the transaction is within a	commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund's utilization. 6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7. Restrictive covenants and other important stipulations associated with the transaction. <u>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 8, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by board of directors and recognized by the supervisors need not be counted toward the transaction amount.</u> With respect to the types of transactions listed below or the acquisition or disposal of equipment held for business use, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may based on authorized amount, hierarchy, execution unit and transaction process, delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions	

After Amendment	Before Amendment	Reason
certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting: 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <u>After these rules have been approved by the board of directors, they shall be submitted to the audit committee, and then to a shareholders' meeting for approval. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to audit committee and for discussion by the shareholders' meeting. The same applies to amendments.</u> When a matter is submitted for discussion by the board of directors pursuant to 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. <u>If the Company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the Company shall submit the materials in all the subparagraphs of</u>	subsequently submitted to and ratified by the next board of directors meeting: 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. When a matter is submitted for discussion by the board of directors pursuant to 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.	

After Amendment	Before Amendment	Reason
<u>paragraph 1 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 subsidiaries or between its subsidiaries.</u> <u>The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 8, paragraph 7 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 audit committee need not be counted toward the transaction amount.</u>		
Article 26: After these procedures have been approved by the board of directors, they shall be submitted to the <u>audit committee</u>, and then to a shareholders' meeting for approval. The same applies to amendments. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to <u>the audit committee</u>. 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	Article 26: After these procedures have been approved by the board of directors, they shall be submitted to the <u>each supervisor</u>, and then to a shareholders' meeting for approval. The same applies to amendments. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to <u>each supervisor</u>. 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	In line with the amendment of the law.

After Amendment	Before Amendment	Reason
independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. <u>When these procedures 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.</u> <u>The terms "all audit committee members" in paragraph 2 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u>	independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.	

Comparison Table for Amendments to the Company's " Procedures for Lending Funds to Other Parties".

After Amendment	Before Amendment	Reason
Article 10: Internal Control 1. The Company shall prepare a memorandum book for its fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under the regulations. 2. Internal auditors of the Company shall audit the Operational Procedures for Lending Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit Committee</u> in writing of any material violation found. Also, the managers and personnel in charge may be subject to penalties depending on the severity of the violation. 3. If, as a result of a change in circumstances, an entity for which a loan is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>the Audit Committee</u>, and shall complete the rectification according to the timeframe set out in the plan so as to improve the	Article 10: Internal Control 1. The Company shall prepare a memorandum book for its fund-lending activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under the regulations. 2. Internal auditors of the Company shall audit the Operational Procedures for Lending Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>each supervisor and independent director</u> in writing of any material violation found. Also, the managers and personnel in charge may be subject to penalties depending on the severity of the violation. 3. If, as a result of a change in circumstances, an entity for which a loan is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>each supervisor and independent director</u>, and shall complete the rectification according to the	In line with the amendment of the law.

After Amendment	Before Amendment	Reason
internal control of the Company. 4. When the responsible person of the Company violates the provisions of Article 3, Paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the responsible person shall bear joint and several liability with the borrower for repayment; if the company suffers damage, the responsible person also shall be liable for damages.	timeframe set out in the plan so as to improve the internal control of the Company. 4. When the responsible person of the Company violates the provisions of Article 3, Paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the responsible person shall bear joint and several liability with the borrower for repayment; if the company suffers damage, the responsible person also shall be liable for damages.	
Article 13: Implementation and amendments The Procedures for Lending Funds to Others established by the Company <u>shall be approved by the Audit Committee. These Procedures shall be submitted</u> to the shareholders' meeting for approval after being approved by the Board of Directors. Any dissenting opinion of the directors which is recorded or written in a statement shall also be reported to the shareholders' meeting. The same applies to amendments. The opinions of each independent director shall be given full consideration in the discussion of these Procedures at the board meeting in accordance with the preceding paragraph, and each independent director's explicit assenting or dissenting opinion and reasons for dissent shall be recorded in the board of directors meeting minutes. <u>When these procedures are adopted or</u>	Article 13: Implementation and amendments The Procedures for Lending Funds to Others established by the Company <u>shall be approved by the Board of Directors. These Procedures shall be submitted</u> to the shareholders' meeting for approval after being delivered to <u>each supervisor</u>. Any dissenting opinion of the directors which is recorded or written in a statement shall also be <u>delivered to each supervisor and</u> reported to the shareholders' meeting. The same applies to amendments. The opinions of each independent director shall be given full consideration in the discussion of these Procedures at the board meeting in accordance with the preceding paragraph, and each independent director's explicit assenting or dissenting opinion and reasons for dissent shall be recorded in the board of directors meeting minutes.	In line with the amendment of the law.

After Amendment	Before Amendment	Reason
<u>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.</u> <u>The terms "all audit committee members" in paragraph 4 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u>		

Comparison Table for Amendments of the “Rules for Endorsement & Guarantee”.

After Amendment	Before Amendment	Reason
Article 6: If, as a result of a change in circumstances, the Company for which an endorsement/guarantee is made does not meet the requirements of these Procedures, or the amount of the endorsement/guarantee exceeds the limit due to a change in the calculation base for the limit, the Company shall, upon the expiration of the contract period or the adoption of rectification plan to discharge all the endorsement/guarantee amount within a certain period, submit the rectification plan to <u>the Audit Committee</u> and report to the Board of Directors.	Article 6: If, as a result of a change in circumstances, the Company for which an endorsement/guarantee is made does not meet the requirements of these Procedures, or the amount of the endorsement/guarantee exceeds the limit due to a change in the calculation base for the limit, the Company shall, upon the expiration of the contract period or the adoption of rectification plan to discharge all the endorsement/guarantee amount within a certain period, submit the rectification plan to <u>each supervisor</u> and report to the Board of Directors.	In line with the amendment of the law.
Article 10: Internal Control 1. The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>the Audit Committee</u> in writing of any material violation found. 2. The Company shall comply with the prescribed procedures when engaging in endorsement and guarantee. If any material violation found, the managers and personnel in charge may be subject to penalties depending on the severity of the	Article 10: Internal Control 1. The Company's internal auditors shall audit the Operational Procedures for Endorsements/Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify <u>each supervisor and independent director</u> in writing of any material violation found. 2. The Company shall comply with the prescribed procedures when engaging in endorsement and guarantee. If any material violation found, the managers and personnel in charge may be subject	In line with the amendment of the law.

After Amendment	Before Amendment	Reason
violation. 3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made no longer meets the requirements of these Regulations, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>the Audit Committee</u>, and shall complete the rectification according to the timeframe set out in the plan so as to improve the internal control of the Company.	to penalties depending on the severity of the violation. 3. If, as a result of a change in circumstances, an entity for which an endorsement/guarantee is made no longer meets the requirements of these Regulations, or the amount of endorsement/guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to <u>each supervisor and independent director</u>, and shall complete the rectification according to the timeframe set out in the plan so as to improve the internal control of the Company.	
Article 14: These Procedures <u>shall be approved by the Audit Committee. These Procedures shall be submitted</u> to the shareholders' meeting for approval after being approved by the Board of Directors. Any dissenting opinion of the directors which is recorded or written in a statement shall also be delivered to <u>Audit Committee</u> and reported to the shareholders' meeting. The same applies to amendments. The opinions of each independent director shall be given full consideration in the discussion of these Procedures at the board meeting in accordance with the preceding paragraph, and each independent director's explicit assenting or dissenting opinion and	Article 14: After these Procedures have been approved <u>by</u> the board of directors, they shall be <u>delivered to each supervisor</u> and submitted to a shareholders' meeting for approval. Where there any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting opinions to <u>each supervisor</u> and for discussion by the shareholders' meeting. The same applies to amendments. The opinions of each independent director shall be given full consideration in the discussion of these Procedures at the board meeting in accordance with the preceding paragraph, and each independent director's explicit assenting or dissenting opinion and	In line with the amendment of the law.

After Amendment	Before Amendment	Reason
reasons for dissent shall be recorded in the board of directors meeting minutes. <u>When these procedures 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.</u> <u>The terms "all audit committee members" in paragraph 4 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u>	reasons for dissent shall be recorded in the board of directors meeting minutes.	

Comparison Table for the Amendment to the “Policies and Procedures for Financial Derivatives Transactions”.

After Amendment	Before Amendment	Reason
Article 12: Internal Audit Internal auditors shall check the suitability of internal control of derivative transactions periodically and inspect monthly the compliance of the financial planning department with the "Handling Procedure to Engage in the Transaction of Derivative Products" and analyze the trading cycle in order to make the auditing report. A written report of any violation must be submitted to notify the <u>Audit Committee</u> of same. Also, the personnel who have violated the rules will be subject to penalties.	Article 12: Internal Audit Internal auditors shall check the suitability of internal control of derivative transactions periodically and inspect monthly the compliance of the financial planning department with the "Handling Procedure to Engage in the Transaction of Derivative Products" and analyze the trading cycle in order to make the auditing report. A written report of any violation must be submitted to notify the <u>each supervisor</u> of same. Also, the personnel who have violated the rules will be subject to penalties.	In line with the amendment of the law.