



Stock Code: 6216

DrayTek Corporation

**2026 Annual Shareholders’
Meeting
Meeting Handbook**

June 26, 2026

Meeting Venue: No.26, Fuxing Rd., Fengshan Vil., Hukou Township, Hsinchu
County, Taiwan (R.O.C.)

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DrayTek Corporation

Meeting Agenda of the 2026 Annual Shareholders' Meeting

- I. Meeting time: June 26, 2026 (Friday) at 09:00 a.m.
- II. Meeting Venue: No.26, Fuxing Rd., Fengshan Vil., Hukou Township, Hsinchu County, Taiwan (R.O.C.)
- III. Form of shareholders' meeting: Physical
- IV. Meeting procedures:
 - (I) Call Meeting to Order (report of shares represented by shareholders attend in person or by proxy)
 - (II) Chairperson Remarks
 - (III) Report Items
 - 1. Report on the distribution of remunerations of employees and Directors in 2025.
 - 2. Report on the distribution of cash dividends from 2025 earnings and cash distribution from capital surplus.
 - 3. 2025 Business Report.
 - 4. Audit Committee's Review Report.
 - (IV) Matters for Ratification
 - 1. Ratification of the 2025 business report and financial statements.
 - 2. Ratification of the 2025 earnings distribution proposal.
 - (V) Matters for Discussion
 - 1. Amendments to partial articles of the Procedures for Asset Acquisition and Disposal.
 - (VI) Extraordinary Motions
 - (VII) Adjournment

Report Items

- I. Report of the distribution of remunerations of employees and Directors in 2025.
- Description: 1. According to the requirements under Article 29 of the Company's Articles of Incorporation, if the Company recorded profits for the year (i.e., profits before tax less profits before distribution remunerations of employees and Directors), after deducting accumulated losses, the Company shall appropriate no less than 1% and no more than 3% of the balances (if any) as the remuneration of employees and the remuneration of Directors, respectively.
2. Based on the profits in Description 1 above, the Company intends to appropriate 10.73% as the remuneration of employees, a total of NT\$ 6,467,863, and 0.75% as the remuneration of Directors, a total of NT\$452,751; the distributions are in cash.
- II. Report on the distribution of cash dividends from 2025 earnings and cash distribution from capital surplus.
- Description: 1. The Company appropriated NT\$51,850,921 from distributable earnings for 2025 and, pursuant to Article 241 of the Company Act, appropriated NT\$48,490,694 from the capital surplus arising from the premium on issuance of shares. Based on the shares held by shareholders as recorded in the shareholders' register on the distribution record date, the Company will distribute cash dividends from earnings of NT\$0.53464816 per share and cash from capital surplus of NT\$0.5 per share.
2. The Chairman is authorized to separately determine the distribution record date, payment date, and other related matters.
3. If the cash distribution ratio subsequently changes due to changes in the number of outstanding shares resulting from the exercise of employee stock options of the Company, the Chairman is fully authorized to handle the adjustment.
4. Cash distributions shall be calculated based on the distribution ratio and rounded down to the nearest NT dollar. Fractional amounts of less than NT\$1 shall be adjusted in descending order based on the decimal amounts and then in ascending order of shareholder account numbers until the total amount of cash dividends and capital surplus distribution is met.
- III. 2025 Business Report: Please refer to pages 10 to 11 of this handbook. (Appendix I)
- IV. Audit Committee's Review Report: Please refer to page 12 of this handbook. (Appendix II)

Matters for Ratification

Proposal 1 [Proposed by the Board]

Subject: The 2025 business report and financial statements are hereby submitted for ratification.

Description: 1. The Company's financial statements for 2025 have been duly audited by CPA Feng, Min-Chuan and CPA Wu, Chien-Chih of PricewaterhouseCoopers Taiwan, who issued an audit report thereon. The financial statements, together with the business report, have been submitted to and reviewed by the Audit Committee.

2. For the aforementioned 2025 business report, CPAs' audit report, and financial statements, please refer to pages 10 to 11 and pages 13 to 23 of this handbook. (Appendix I) and (Appendix III)

3. Hereby proposed for ratification.

Resolution:

Proposal 2 [Proposed by the Board]

Subject: The 2025 earnings distribution proposal is hereby submitted for ratification.

Description: 1. The 2025 earnings distribution proposal was approved by resolution of the Board of Directors on March 11, 2026.

2. For the 2025 earnings distribution table, please refer to page 24 of this handbook. (Appendix IV)

3. Hereby proposed for ratification.

Resolution:

Matters for Discussion

Proposal 1 [Proposed by the Board]

Subject: Amendments to certain provisions of the Company's "Procedures for Asset Acquisition and Disposal" are hereby submitted for discussion.

Description: 1. In accordance with the amendments to certain provisions of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies under the Financial Supervisory Commission's Letter Jin-Guan-Zheng-Fa-Zi No. 1140383333 dated July 24, 2025, the Company proposes to amend certain provisions of its Procedures for Asset Acquisition and Disposal.

2. For the comparison table of provisions before and after amendment to the Procedures for Asset Acquisition and Disposal, please refer to pages 25 to 28 of this handbook. (Appendix V)

3. Hereby proposed for discussion.

Resolution:

Extraordinary Motions

Adjournment

Appendix

(Appendix I)

2025 Business Report

I. Business achievements:

In 2025, the Company's net operating revenue was NT\$757,198 thousand, representing a decrease of NT\$421,274 thousand, or 35.75%, compared with NT\$1,178,472 thousand in 2024. Gross profit in 2025 was NT\$340,794 thousand, representing a decrease of NT\$215,817 thousand, or 38.77%, compared with NT\$556,611 thousand in 2024. Profit after tax in 2025 was NT\$57,612 thousand, representing a decrease of NT\$214,015 thousand, or 78.79%, compared with NT\$271,627 thousand in 2024.

II. Analysis of finance and profitability

The financial structure, solvency, and profitability ratios of the Company for 2025 and 2024 are listed below:

	Item	2024	2025
Financial structure	Ratio of debts to assets (%)	10.50	6.26
	Ratio of long-term capital to property, plant and equipment (%)	929.05	866.46
Solvency	Current ratio (%)	888.48	1,404.02
	Quick ratio (%)	810.91	1,274.05
	Interest coverage ratio (%)	-(Note 1)	-(Note 1)
Profitability	Return on assets (%)	13.64	2.90
	Return on equity (%)	15.14	3.17
	Ratio of net profit before tax to paid-in capital (%)	33.99	5.50
	Net profit margin (%)	23.04	7.60
	Basic earnings per share (NT\$) (Note)	2.88	0.60

Note: 1. There is no interest expenditures in the current year.

2. The source of the data is from the financial statements certified by CPAs for the years.

III. Analysis of business achievements

As shown in the table above, the Company's financial structure and profitability ratios were slightly weaker than those in 2024, while its solvency ratios improved compared with 2024. To improve the business nature of the Company to respond to the increasing level of competition and complexity of political and economic development, the Company will reinforce its internal business management and accelerate the R&D of new products; for the market, the Company will reinforce market expansion to improve the overall competitive strength of the Company.

IV. Business plan for 2026

(I) Business policy

1. R&D plan

(1) Develop new products with marketability

In response to the general corporate objective of establishing our brand image, develop niche products with features or functions to satisfy customers' requirements.

(2) Continue to improve the R&D project management system

Improve the current R&D management system and introduce new R&D methods based on the practices to improve software quality and the efficiency of product development.

2. Sales plan

(1) Continue to reinforce the building of our global marketing network

Provide competitive products for global customers, build a comprehensive marketing network, and reinforce our after-sales services to satisfy customers' requirements in terms of networking products.

(2) Actively expand our marketing channels

Flexibly make use of online and offline marketing channels of diversification to effectively promote communication solutions, actively participate in domestic/foreign telecommunication exhibitions to collect market information, and reinforce the exploration of emerging markets to make arrangements for our global distribution channels.

(3) Improve customer satisfaction and brand image

Provide project services with dedicated personnel for crucial customers and improve the brand image of the Company's communication products by refining our quality plan and enhancing after-sales services.

3. Production plan

(1) Reinforce our supply chain management, integrate resources of the Company and our suppliers, further develop strategic cooperation with suppliers of crucial parts and components, and in turn, seek stable profits through the improvement in production and management efficiency.

(2) Continue to improve our production technologies, facilitate the increase in production yield, and ensure the achievement of the overall production plan to focus on the objectives of production cost reduction and production efficacy improvement.

(II) Estimated sales volume and its basis

Amid global economic volatility affected by inflation and geopolitical factors, the Company maintains a prudent and conservative view toward its operations in 2026, and will strive to achieve steady year-by-year growth in operating results.

(III) Material production and sales policy

To address the increasingly fierce competition in the broadband network industry, in 2026, the Company will actively develop new products and explore new markets. In addition to enhancing our technological capabilities, we will also employ flexible marketing strategies to expand into new markets and strengthen the establishment of our after-sales service system to elevate the brand image and recognition of our products within the network communication industry.

Chairman: Ma, Hung-Fang

General Manager: Cheng, Ming-Te

Accounting Officer: Tseng, Sook-Fen

(Appendix II)

DrayTek Corporation
Audit Committee's Review Report

The Board of Directors has submitted the financial statements for the fiscal year 2025, which have been audited by PricewaterhouseCoopers, with auditors Feng, Min-Chuan and Wu, Chien-Chih completing the audit; along with the business report and profit distribution proposal, these have been thoroughly reviewed by our Audit Committee and found to be compliant. Accordingly, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, a report has been prepared for approval at the annual general meeting.

2026 Annual Shareholders' Meeting of DrayTek Corporation

DrayTek Corporation
Convener of the Audit Committee: Huang, Chen-Sung

March 11, 2026

(Appendix III)

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of DRAYTEK CORPORATION

PWCR25000611

Opinion

We have audited the accompanying balance sheets of DrayTek Corporation (the “Company”) as at December 31, 2025 and 2024, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Company's financial statements of the current period are stated as follows:

Evaluation of allowance for inventory valuation loss

Description

Refer to Note 4(12) for the accounting policies on inventory valuation, Note 5(2) for the uncertainty in accounting estimates and assumptions, and Note 6(5) for the details of inventories. The balances of valuation loss regarding the inventory and allowance for inventory as at December 31, 2025 were NTD 189,412 thousand and NTD 39,896 thousand, respectively.

The Company mainly involves in the sale of communication products manufactured. The risk caused by loss on inventory devaluation or the obsolescence of inventory may be higher due to the short life cycle and severe market competition. Inventory is evaluated by the Company on the basis of the cost and net realizable value, whichever is lower. The aforementioned loss of allowance for inventory valuation was mainly due to the inventory measured at the cost and net realizable value, whichever is lower, and identification of obsolescent or damaged inventory items. Because the large inventory amount and enormous items of the Company as well as the objective judgments of the management concerned during the identification of obsolescent or damaged inventory belong to the field to be determined during the audit, we listed the evaluation for the loss of allowance for inventory valuation of the Company as the important matter in the audit.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Adopted the acquired allowance policy for inventory devaluation of the Company during the comparative period of financial statements and evaluated the reasonableness of the allowance policy.
2. Acquired the net realizable value statement of inventory cost, randomly checked related supporting documents and recalculated its accuracy, validated the appropriateness regarding the logic of inventory aging report system used for evaluation, evaluated the basis of net realizable value estimated by the management and its reasonableness.
3. Checked related information acquired during inventory taking process and inquired the management and personnel related to inventory to confirm conditions of obsolescent, remaining, older, out-of-fashion or damaged inventory neglected in the inventory details.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no

realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Feng, Min-Chuan

Wu, Chien-Chih

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 11, 2026

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

DRAYTEK CORPORATION
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

ASSETS		Notes	December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 344,437	19	\$ 464,948	22
1110	Financial assets at fair value through profit or loss - current	6(2)	51,364	3	50,632	2
1136	Financial assets at amortised cost - current	6(3) and 8	955,598	51	1,031,609	49
1170	Accounts receivable, net	6(4)	112,644	6	144,777	7
1220	Current income tax assets		7,535	-	-	-
130X	Inventories	5(2) and 6(5)	149,516	8	163,337	8
1470	Other current assets		17,429	1	28,477	1
11XX	Total current assets		1,638,523	88	1,883,780	89
Non-current assets						
1535	Financial assets at amortised cost - non-current	6(3) and 8	500	-	500	-
1600	Property, plant and equipment	6(6)	201,674	11	204,154	10
1840	Deferred income tax assets	6(20)	23,316	1	19,344	1
1990	Other non-current assets		119	-	939	-
15XX	Total non-current assets		225,609	12	224,937	11
1XXX	Total assets		\$ 1,864,132	100	\$ 2,108,717	100

(Continued)

DRAYTEK CORPORATION
BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

LIABILITIES AND EQUITY			December 31, 2025		December 31, 2024	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Contract liabilities - current	6(14)	\$ 1,313	-	\$ 1,690	-
2170	Accounts payable		22,022	1	40,011	2
2200	Other payables	6(8)	85,814	5	125,524	6
2230	Current income tax liabilities		-	-	37,370	2
2300	Other current liabilities		7,553	-	7,427	-
21XX	Total current liabilities		116,702	6	212,022	10
Non-current liabilities						
2570	Deferred income tax liabilities	6(20)	-	-	9,178	-
2600	Other non-current liabilities		155	-	232	-
25XX	Total non-current liabilities		155	-	9,410	-
2XXX	Total liabilities		116,857	6	221,432	10
Equity						
	Share capital	6(11)				
3110	Ordinary share		969,814	52	955,834	45
	Capital surplus	6(12)				
3200	Capital surplus		308,156	17	275,294	14
	Retained earnings	6(13)				
3310	Legal reserve		411,693	22	384,530	18
3350	Unappropriated retained earnings		57,612	3	271,627	13
3XXX	Equity		1,747,275	94	1,887,285	90
	Significant contingent liabilities and	9				
	unrecognised contract commitments					
	Significant events after the balance sheet	11				
	date					
3X2X	TOTAL LIABILITIES AND					
	EQUITY		\$ 1,864,132	100	\$ 2,108,717	100

The accompanying notes are an integral part of these financial statements.

DRAYTEK CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

		Notes	Year ended December 31			
			2025		2024	
			AMOUNT	%	AMOUNT	%
Items						
4000 Sales revenue	6(14)		\$ 757,198	100	\$ 1,178,472	100
5000 Operating costs	6(5)(18)(19)		(416,404) (55)		(621,861) (52)	
5900 Net operating margin			<u>340,794</u>	<u>45</u>	<u>556,611</u>	<u>48</u>
Operating expenses	6(18)(19)					
6100 Selling expenses			(52,789) (7)		(60,210) (5)	
6200 General and administrative expenses			(70,292) (9)		(69,594) (6)	
6300 Research and development expenses			(173,250) (23)		(196,362) (17)	
6450 Impairment gain (loss) determined in accordance with IFRS 9	12(2)		<u>12,257</u>	<u>1</u>	<u>(13,456)</u>	<u>(1)</u>
6000 Total operating expenses			<u>(284,074)</u>	<u>(38)</u>	<u>(339,622)</u>	<u>(29)</u>
6900 Operating profit			<u>56,720</u>	<u>7</u>	<u>216,989</u>	<u>19</u>
Non-operating income and expenses						
7100 Interest income	6(15)		31,446	4	41,766	3
7010 Other income	6(16)		720	-	11,426	1
7020 Other gains and losses	6(2)(17)		(35,508) (4)		<u>54,747</u>	<u>5</u>
7000 Total non-operating income and expenses			<u>(3,342)</u>	<u>-</u>	<u>107,939</u>	<u>9</u>
7900 Profit before income tax			53,378	7	324,928	28
7950 Income tax expense	6(20)		<u>4,234</u>	<u>1</u>	<u>(53,301)</u>	<u>(5)</u>
8200 Profit for the year			<u>\$ 57,612</u>	<u>8</u>	<u>\$ 271,627</u>	<u>23</u>
8500 Total comprehensive income for the year			<u>\$ 57,612</u>	<u>8</u>	<u>\$ 271,627</u>	<u>23</u>
Earnings per share (in dollars)	6(21)					
9750 Basic			<u>\$ 0.60</u>		<u>\$ 2.88</u>	
9850 Diluted			<u>\$ 0.59</u>		<u>\$ 2.77</u>	

The accompanying notes are an integral part of these financial statements.

DRAYTEK CORPORATION
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Retained Earnings		
	Notes	Ordinary share	Capital surplus, additional paid- in capital	Legal reserve	Unappropriated retained earnings	Total equity
<u>Year ended December 31, 2024</u>						
Balance at January 1, 2024		\$ 928,481	\$ 276,147	\$ 372,233	\$ 122,968	\$ 1,699,829
Profit for the year		-	-	-	271,627	271,627
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income		-	-	-	271,627	271,627
Appropriations of 2023 earnings	6(13)					
Legal reserve		-	-	12,297	(12,297)	-
Cash dividends		-	-	-	(110,671)	(110,671)
Cash dividends from capital surplus	6(13)	-	(46,424)	-	-	(46,424)
Recognition of employee share options	6(10)(11)	27,353	33,148	-	-	60,501
Compensation costs recognised for employee share options	6(10)	-	12,423	-	-	12,423
Balance at December 31, 2024		<u>\$ 955,834</u>	<u>\$ 275,294</u>	<u>\$ 384,530</u>	<u>\$ 271,627</u>	<u>\$ 1,887,285</u>
<u>Year ended December 31, 2025</u>						
Balance at January 1, 2025		\$ 955,834	\$ 275,294	\$ 384,530	\$ 271,627	\$ 1,887,285
Profit for the year		-	-	-	57,612	57,612
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income		-	-	-	57,612	57,612
Appropriations of 2024 earnings	6(13)					
Legal reserve		-	-	27,163	(27,163)	-
Cash dividends		-	-	-	(244,464)	(244,464)
Recognition of employee share options	6(10)(11)	13,980	16,763	-	-	30,743
Compensation costs recognised for employee share options	6(10)	-	16,099	-	-	16,099
Balance at December 31, 2025		<u>\$ 969,814</u>	<u>\$ 308,156</u>	<u>\$ 411,693</u>	<u>\$ 57,612</u>	<u>\$ 1,747,275</u>

The accompanying notes are an integral part of these financial statements.

DRAYTEK CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 53,378	\$ 324,928
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(18)	8,706	7,304
Amortisation	6(18)	21	13
Expected credit loss	12(2)	(12,257)	13,456
Net gain on financial assets mandatorily measured at fair value through profit or loss	6(2)(17)	(732)	(703)
Interest income	6(15)	(31,446)	(41,766)
Compensation costs recognised for employee share options	6(10)(19)	16,099	12,423
Loss on disposal of property, plant and equipment	6(17)	-	(726)
Unrealized foreign exchange loss (gain)		3,732	(14,291)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		44,390	(43,315)
Inventories		13,821	85,749
Other current assets		(4,340)	1,926
Changes in operating liabilities			
Contract liabilities		(377)	191
Accounts payable		(17,989)	(5,657)
Other payables		(38,988)	35,139
Other current liabilities		126	(219)
Cash inflow generated from operations		34,144	374,452
Interest received		46,834	39,521
Income taxes paid		(53,821)	(35,824)
Net cash flows from operating activities		<u>27,157</u>	<u>378,149</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease (increase) in financial assets at amortised cost - current		72,279	(70,408)
Acquisition of property, plant and equipment	6(22)	(6,368)	(14,344)
Disposal of property, plant and equipment		-	726
Acquisition of intangible assets		(27)	(24)
Decrease in refundable deposits		246	-
Net cash flows from (used in) investing activities		<u>66,130</u>	<u>(84,050)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in guarantee deposit		(77)	-
Employee share options exercised	6(10)	30,743	60,501
Cash dividends paid	6(13)	(244,464)	(157,095)
Net cash flows used in financing activities		<u>(213,798)</u>	<u>(96,594)</u>
Net (decrease) increase in cash and cash equivalents		(120,511)	197,505
Cash and cash equivalents at beginning of year		464,948	267,443
Cash and cash equivalents at end of year		<u>\$ 344,437</u>	<u>\$ 464,948</u>

The accompanying notes are an integral part of these financial statements.

(Appendix IV)

DrayTek Corporation
2025 Earnings Distribution Table

Unit: NT\$

Undistributed earnings at the beginning of the period	0
Add: Net profit after tax for the period	57,612,135
Less: Statutory surplus reserve appropriated	(5,761,214)
Earnings available for distribution	51,850,921
Item of distribution:	
Dividend to shareholders - cash (0.53464816/share)	51,850,921
Undistributed earnings at the end of the period	0

- Description: (1) For the cash dividend distribution, the Chairman is authorized to separately determine the ex-dividend record date, payment date, and other related matters.
- (2) If the dividend payout ratio subsequently changes due to changes in the number of outstanding shares resulting from the exercise of employee stock options of the Company, the Chairman is fully authorized to handle the adjustment.
- (3) The cash dividend is calculated based on the distribution ratio and rounded up to NT\$1; the sum of the fractional amounts shall be adjusted based on decimals from large numbers to small numbers and account numbers. of shareholders in accordance with the sequence until it is in line with the total distribution of cash dividends.

Chairman: Ma, Hung-Fang

General Manager: Cheng, Ming-Te

Accounting Officer: Tseng, Sook-Fen

(Appendix V)

DrayTek Corporation
Comparison Table for Provisions of the “Procedures for Asset Acquisition and Disposal” Before and After Amendments

Provisions after amendments	Initial provisions	Reason for amendments
XV. Public announcement and filing procedures (I) Where the Company acquires or disposes of assets under any of the following circumstances, it shall make a public announcement and filing of the relevant information, in the prescribed format according to the nature of the transaction, on the website designated by the Securities and Futures Bureau within two days from the date of occurrence of the event: 1. Acquiring or disposing of real property or right-of-use assets thereof from or to a related party, or acquiring or disposing of assets other than real property or right-of-use assets thereof from or to a related party, where the transaction amount reaches 20% or more of the Company’s paid-in capital, 10% or more of total assets, or NT\$300 million or more. However, this shall not apply to trading of domestic government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Conducting a merger, demerger, acquisition, or transfer of shares. 3. Engaging in derivatives transactions where losses reach the upper limit for	XV. Public announcement and filing procedures (I) Where the Company acquires or disposes of assets under any of the following circumstances, it shall make a public announcement and filing of the relevant information, in the prescribed format according to the nature of the transaction, on the website designated by the Securities and Futures Bureau within two days from the date of occurrence of the event: 1. Acquiring or disposing of real property or right-of-use assets thereof from or to a related party, or acquiring or disposing of assets other than real property or right-of-use assets thereof from or to a related party, where the transaction amount reaches 20% or more of the Company’s paid-in capital, 10% or more of total assets, or NT\$300 million or more. However, this shall not apply to trading of domestic government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Conducting a merger, demerger, acquisition, or transfer of shares. 3. Engaging in derivatives transactions where losses reach the upper limit for	Amended pursuant to the amendments under the Financial Supervisory Commission’s Letter Jin-Guan-Zheng-Fa-Zi No. 1140383333 dated July 24, 2025.

Provisions after amendments	Initial provisions	Reason for amendments
losses on all contracts or individual contracts as specified in the prescribed procedures. 4. Acquiring or disposing of equipment or right-of-use assets thereof for business use, where the transaction counterparty is not a related party and the transaction amount meets any of the following criteria: A. Where the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. B. Where the Company's paid-in capital is NT\$10 billion or more <u>but less than NT\$50 billion</u>, the transaction amount reaches NT\$1 billion or more. C. <u>Where the Company's paid-in capital is NT\$50 billion or more, the transaction amount reaches 5% or more of the Company's paid-in capital.</u> 5. Acquiring real property through construction on owned land, construction on leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the transaction counterparty is not a related party and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.	losses on all contracts or individual contracts as specified in the prescribed procedures. 4. Acquiring or disposing of equipment or right-of-use assets thereof for business use, where the transaction counterparty is not a related party and the transaction amount meets any of the following criteria: A. Where the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more. B. Where the Company's paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more. 5. Acquiring real property through construction on owned land, construction on leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, where the transaction counterparty is not a related party and the amount the Company expects to invest in the transaction reaches NT\$500 million or more. 6. Asset transactions, disposal of receivables by financial institutions, or investments in Mainland China other than those specified in Subparagraphs 1 to <u>5</u> of this subparagraph, where the transaction amount reaches	

Provisions after amendments	Initial provisions	Reason for amendments
6. <u>Where the Company's paid-in capital is NT\$50 billion or more, trading government bonds, ordinary corporate bonds, or general financial bonds not involving equity, excluding subordinated bonds, on a stock exchange or at the business premises of a securities firm, where the circumstances do not fall under Items A and B of the proviso of Subparagraph 7 of this subparagraph, the transaction counterparty is not a related party, and the transaction amount reaches 5% or more of the Company's paid-in capital.</u> 7. Asset transactions, disposal of receivables by financial institutions, or investments in Mainland China other than those specified in Subparagraphs 1 to 6 of this subparagraph, where the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances: A. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than Taiwan's sovereign rating. B. Trading of bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust	20% or more of the Company's paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances: A. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than Taiwan's sovereign rating. B. Trading of bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (omitted below)	

Provisions after amendments	Initial provisions	Reason for amendments
enterprises. (omitted below)		
XX. Amendment date These Procedures were established on March 1, 2001. (Omitted) The 9th amendment was made on June 27, 2019. The 10th amendment was made on August 2, 2021. <u>The 11th amendment was made on 27 June 2022.</u> These Procedures were approved by the shareholders' meeting on <u>June 26, 2026.</u>	XX. Amendment date These Procedures were established on March 1, 2001. (Omitted) The 9th amendment was made on June 27, 2019. The 10th amendment was made on August, 2 2021. These Procedures were approved by the shareholders' meeting on <u>June 27, 2022.</u>	Added the date of amendment.

(Appendix VI)

DrayTek Corporation
Articles of Incorporation
Chapter 1 General

- Article 1: The Company is established according to the requirements under the Company Act, and its Chinese name is “居易科技股份有限公司.” The Company’s English name is “DrayTek Corporation.”
- Article 2: The scope of business of the Company is as follows:
- I. CC01060 Wired Communication Mechanical Equipment Manufacturing.
 - II. CC01070 Wireless Communication Mechanical Equipment Manufacturing.
 - III. CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing.
 - IV. I301010 Information Software Services.
 - V. F113070 Wholesale of Telecommunication Apparatus.
 - VI. F213060 Retail Sale of Telecommunication Apparatus.
 - VII. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
 - VIII. Installation and import/export trading of products above.
 - IX. Advisory and consultation for communication engineering technologies.
 - X. Operating and repair training for customers to acquire the various equipment above (external training recruitment is forbidden).
- Article 3: The headquarters of the Company is located at Hsinchu Industrial Park, Hsinchu County, and the Company may establish branches at appropriate locations in Taiwan or overseas through Board resolution and the approval from the competent authority when necessary. The Company may provide external guarantees due to its business requirements by receiving the consent of the Board.
- Article 4: The Company may invest in other businesses due to its business requirements, and the total investment amount is not restricted by the total investment amount stated in Article 13 of the Company Act.
- Article 5: Deleted.

Chapter 2 Shares

- Article 6: The capital of the Company is NT\$1,200,000,000, divided into 120,000,000 shares with a par value of NT\$10 per share; the Board is authorized to issue the shares in batches and may issue share certificates with a larger par value. NT\$129,730,000 in the capital stated in paragraph 1 is preserved for the conversion of issued bonds with warrant, preferred shares with warrants, and stock option certificates into shares, in the amount of 12,973,000 shares with a par value of NT\$10; such shares may be issued in batches based on the resolution of the Board.

- Article 6-1: The Company is exempted from printing share certificates for the issued shares; however, it shall register the issued shares with a centralized securities depository enterprise and comply with the requirements of the enterprise.
- Article 7: Share certificates of the Company are registered; the issued share certificates shall be numbered with matters set out in Article 162 of the Company Act stated, signed or affixed with a seal by the Director representing the Company, and issued after being certified by a bank qualified for being the certifier for the issuance of share certificates according to the law.
- Article 8: Abolished.
- Article 9: Any share certificate transfer, mortgage creation, cancelation, report of loss, inheritance, gifting, report of seal loss, changes, or changes in address, or other matters of stock affairs by any shareholder of the Company shall be subject to the “Regulations Governing the Administration of Shareholder Services of Public Companies” promulgated by the competent authority, except for otherwise stated in laws and regulations and securities rules.
- Article 10: The change in the shareholders’ register shall be suspended within 60 days before an annual shareholders’ meeting, 30 days before an extraordinary shareholders’ meeting, and 5 days before a base date on which the Company determines to distribute dividends and bonuses or other benefits.

Chapter 3 Shareholders’ Meeting

- Article 11: Shareholders' meetings are divided into the following categories:
- Annual shareholders’ meeting: An annual shareholders’ meeting shall be convened according to law by the Board at least once a year within six months from the end of each fiscal year.
- Extraordinary shareholders’ meeting: An extraordinary shareholders’ meeting shall be convened when necessary.
- According to the requirements under Article 56-1 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers” and Article 10-1 of the “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies,” the Company may issue employee stock option certificates at a price lower than the closing price of the Company’s ordinary share on the date of issuance and transfer shares to employees at a price lower than the average price for the actual share repurchases when receiving the consent of over two-thirds of the voting rights held by the attending shareholders at a shareholders’ meeting attended by shareholders who represent over half of the total issued shares.
- Article 12: The Chairman shall be the chairperson of a shareholders’ meeting. If the Chairman is unable to exercise its functions when being on leave or due to other causes, the proxy of the Chairman shall comply with the requirements

under Article 208 of the Company Act.

Article 13: Shareholders shall be informed of the date, venue, and reason for the meeting, and an announcement shall be made for an annual shareholders' meeting or an extraordinary shareholders' meeting 30 days or 15 days in advance, respectively.

With the consent of the addressee, the meeting notice may be provided by electronic means.

For shareholders holding registered share certificates of less than 1,000 shares, the notice in the preceding paragraph may be made by way of announcement.

Article 14: If a shareholder is unable to attend a shareholders' meeting, it may issue a proxy form, which is printed and distributed by the Company, set out the scope of authorization, sign and affix a seal to engage a proxy to attend the meeting on its behalf, and make arrangements according to "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authority.

Article 15: Rules and Procedures of Shareholders' Meeting shall be subject to the "Rules Governing the Conduct of Shareholders Meetings by Public Companies" promulgated by the competent authority.

Article 16: A shareholder is entitled to one vote for each share held; however, this shall not apply to those restricted or having no vote rights as stated in paragraph 2, Article 179 of the Company Act.

Article 17: Except for otherwise stated in the Company Act, a resolution made at a shareholders' meeting shall receive the consent of over half of the voting rights held by the attending shareholders at a meeting attended by shareholders who represent over half of the total issued shares.

Article 18: Meeting minutes shall be made for the resolutions made at shareholders' meetings, and arrangements shall be made according to the requirements under Article 183 of the Company Act.

Chapter 4 Directors and Audit Committee

Article 19: The Company has seven to nine Directors, and a candidate nomination system is adopted for the shareholders' meeting to elect the Directors from the candidate list; the term of office of Directors shall be three years, and they may be re-elected and re-appointed.

Within the number of Directors set by the Company, the number of Independent Directors shall be no less than three persons and shall be no less than one-fifth of Directors. Directors and Independent Directors shall be elected together, with the number of elected persons calculated separately.

The exercise of Independent Directors' functions and other matters to be observed shall be subject to relevant laws and regulations.

Directors referred to in the Articles include Independent Directors.

The nomination method shall be subject to the requirements under Article 192-

1 of the Company Act.

Article 19-1: According to the requirements under Article 14-4 of the Securities and Exchange Act, the Company has established its Audit Committee, comprising all Independent Directors, according to the law, and the Committee is responsible for executing the functions of supervisors as stated under the Company Act, Securities and Exchange Act, and other laws and regulations.
The members of the Audit Committee, the exercise of its functions, and other matters to be observed shall be subject to the requirements under relevant laws and regulations, and the organization rules of the Committee shall be otherwise established by the Board.

Article 19-2: Deleted.

Article 20: The execution of the Company's business shall be determined by the Company's Board, except for matters to be resolved by the shareholders' meeting as stated by the requirements of laws and regulations or the Articles.

Article 21: The Chairman shall be elected among the Directors by receiving the consent of over half of the attending Directors at a Board meeting attended by over two-thirds of the Directors. The Chairman shall be the chairperson of shareholders' meetings and Board meetings and shall represent the Company externally; the functions of the Chairman shall be subject to the restrictions under laws and regulations, the Articles, and the resolutions made by the shareholders' meeting and the Board.

Article 22: Except for otherwise stated in the Company Act, Board meetings shall be convened by the Chairman. Except for otherwise stated in the Company Act, resolutions made at Board meetings shall receive the consent of over half of the attending Directors at a meeting attended by over half of the Directors.

Article 22-1: Board meetings are convened once every quarter, and a notice setting out the reason for the meeting shall be provided to Directors seven days before the meeting; however, for emergencies, Board meetings may be convened at any time. The notice for Board meetings is not limited to written notice and may be replaced by fax and e-mail.

Article 23: If the Chairman is unable to perform its duties when being on leave or due to other causes, the proxy of the Chairman shall comply with the requirements under Article 208 of the Company Act.

Article 23-1: Directors shall attend Board meetings in person; if a Director is unable to attend a Board meeting in person due to other causes, it may engage another Director to attend the meeting on its behalf according to the law; the proxy above may only be engaged by one person. If a Board meeting is held by way of a video conference, Directors who participated in the meeting via video call shall be deemed as attending the meeting in person.

Article 23-2: If the vacancy reaches one-third of the total number of Directors for any

reason, the Board shall convene an extraordinary shareholders' meeting for a by-election according to the law. Except for the general re-election of Directors, the term of office of new Directors shall be the expiry of the term of office of the separated Directors.

Article 24: Deleted.

Article 25: The Board is authorized to determine the remuneration of the Chairman and non-Independent Directors based on the level of participation in the Company's operations and the value of contribution, with reference to the general standard within the industry.

The fixed payment system is adopted for the remuneration of the Company's Independent Directors regardless of gains or losses of the Company's operations, and the Board is authorized to determine the amount.

Chapter 5 Business management of the Company

Article 26: The Company may have one CEO in accordance with the resolution made by the Board to coordinate and be responsible for the development and decision-making of the Company and all affiliates of the Company. The Company also has one President whose appointment, dismissal, and remuneration shall be subject to the requirements under Article 29 of the Company Act. The President shall comply with the supervision of the Board led by the Chairman, be responsible for the overall operations within the scope of authority distributed to it based on the policy of the Company, and report to the Board. Furthermore, it shall monitor and control the daily operations and functions of the Company based on the policy of the Board led by the Chairman.

Article 26-1: Abolished.

Chapter 6 Accounting

Article 27: The fiscal year of the Company is from January 1 to December 31. At the end of each fiscal year, the Company shall perform the final account of the year.

Article 28: The Board shall prepare the following forms and books at the end of each fiscal year according to the requirements under Article 228 of the Company Act and submit them to the annual shareholders' meeting for ratification in accordance with the statutory procedures:

- I. Business report
- II. Financial statements
- III. Proposal for earning distribution or loss compensation

Article 29: If the Company records profits for the year, it shall appropriate no less than 1% as the remuneration of employees, and the Board shall resolve to distribute in shares or cash; the distribution targets shall include employees of subordinated companies who fulfill certain conditions. Based on the abovementioned amount of the Company's profits, the Board may resolve to appropriate no

more than 3% as the remuneration of Directors. The proposal for the distribution of remuneration of employees and remuneration of Directors shall be reported at the shareholders' meeting. However, if the Company has accumulated losses, it shall preserve the amount for compensation, and then, appropriate remuneration of employees and remuneration of Directors according to the ratio stated in the preceding paragraph. Independent Directors shall not participate in the abovementioned distribution of remuneration of Directors.

No less than 0.5% of the employees' remuneration in the preceding paragraph shall be allocated to non-executive employees.

Article 29-1: If the Company records earnings from the final account of the year, it shall pay taxes according to the law, compensate accumulated losses, and then, appropriate 10% as the statutory surplus reserve; however, the Company is no longer required to make such appropriations if the statutory surplus reserve has reached the paid-in capital of the Company. After appropriating or reversing the special surplus reserve according to the requirements of laws and regulations, if there are remaining balances, such balances shall be combined with the accumulated undistributed earnings, and the Board shall formulate the proposal for earning distribution and submit it to the shareholders' meeting for making the resolution of shareholders' dividend/bonus distribution.

The Board of Directors of the Company, with the attendance of at least two-thirds of the directors and the approval of a majority of the attending directors, may resolve to distribute dividends, bonuses, the legal reserve (limited to the portion in excess of 25% of paid-in capital), or all or part of the capital surplus, in the form of cash distribution, and report such distribution to the shareholders' meeting. This shall not be subject to the requirement of a resolution by the shareholders' meeting as stipulated in these Articles.

The Company adopts the residual dividend approach for its dividend policy. The Board formulates the proposal for distribution each year based on the current and future investment environments, capital requirements, domestic/foreign competitive status, and funds/budgets of the Company and submits it to the shareholders' meeting for resolution each year. The ratio of cash dividends distributed each year shall not be lower than 10% of the sum of the cash and share dividends distributed during the year.

Chapter 7 Appendices

Article 30: The organization rules and bylaws of the Company shall be established by the Board.

Article 31: Unaddressed matters shall be subject to the requirements under the Company Act.

Article 32: The Articles were established on October 1, 1997.

The 1st amendment was made on May 8, 1998.

The 2nd amendment was made on November 16, 1998.

The 3rd amendment was made on April 30, 1999.
The 4th amendment was made on June 28, 1999.
The 5th amendment was made on April 15, 2000.
The 6th amendment was made on July 14, 2000.
The 7th amendment was made on October 18, 2000.
The 8th amendment was made on April 11, 2001.
The 9th amendment was made on April 23, 2002.
The 10th amendment was made on September 18, 2002.
The 11th amendment was made on June 27, 2003.
The 12th amendment was made on June 27, 2003.
The 13th amendment was made on June 18, 2004.
The 14th amendment was made on June 14, 2005.
The 15th amendment was made on June 23, 2006.
The 16th amendment was made on June 21, 2007.
The 17th amendment was made on June 19, 2008.
The 18th amendment was made on June 16, 2009.
The 19th amendment was made on June 15, 2010.
The 20th amendment was made on June 21, 2012.
The 21st amendment was made on June 19, 2013.
The 22nd amendment was made on June 22, 2016.
The 23rd amendment was made on June 27, 2019.
The 24th amendment was made on June 30, 2020.
The 25th amendment was made on August 2, 2021.
The 26th amendment was made on June 28, 2023.
The 27th amendment was made on June 26, 2025.

(Appendix VII)

DrayTek Corporation

Rules and Procedures of Shareholders' Meeting

Rule 1

To establish a strong governance system and sound supervisory capabilities for the shareholders' meetings of the Company and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Rule 2

Except otherwise provided by laws, regulations, or the Articles, the rules of procedures for the shareholders' meetings of the Company shall be subject to the Rules.

Rule 3

Unless otherwise provided by law or regulation, shareholders meetings of the Company shall be convened by the Board.

The Company shall notify the shareholders of an annual shareholders' meeting 30 days in advance; for shareholders holding registered share certificates of less than 1,000 shares, the Company may upload the information to MOPS for announcement 30 days in advance. The Company shall notify the shareholders of an extraordinary shareholders' meeting 15 days in advance; for shareholders holding registered share certificates of less than 1,000 shares, the Company may upload the information to MOPS for announcement 15 days in advance. The reasons for convening a shareholders' meeting shall be specified in the notice and announcement.

Rule 4

For each shareholders' meeting, a shareholder may issue a proxy form, which is printed and distributed by the Company, and sets the scope of authorization for the proxy to attend the shareholders' meeting and act on its behalf.

Each 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 at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.

Rule 5

The venue for a shareholders' meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.; full consideration shall be given to Independent Directors' opinions with respect to the place and time of the meeting.

Rule 6

The Company shall furnish the attending shareholders or proxies engaged by shareholders (the "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 handbook, 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.

Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also

bring identification documents for verification.

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

Rule 7

If a shareholders' meeting is convened by the Board, the meeting shall be chaired by the Chairman. If the Chairman is on leave or is unable to exercise its functions due to other causes, the Vice Chairman shall chair the meeting on its behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or is unable to exercise its functions due to other causes, the Chairman shall appoint one of the Managing Directors to act as the chairperson. Where there is no such a position as Managing Director, the Chairman shall appoint one of the Directors to act as the chairperson. Where the Chairman fails to make such an appointment, the Managing Directors or Directors shall elect one person to serve as the chairperson among themselves.

A shareholders' meeting convened by the Board shall be attended by the majority of the Directors. Where a shareholders' meeting is convened by a party with the power to convene other than the Board, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

The Company may appoint its attorneys, CPAs, or related persons to attend the meeting.

Rule 8

The Company shall make an uninterrupted audio and video recording of the shareholders' meeting, and the recorded materials of the preceding paragraph shall be retained for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Rule 9

Attendance at shareholders' meetings shall be calculated based on the number of shares. The number of shares represented by shareholders attending the meeting shall be calculated in accordance with the attendance book or attendance cards handed in, plus the number of shares exercising voting rights by correspondence or electronic means.

The chairperson shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting shares and the number of shares represented by shareholders attending the meeting.

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

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to paragraph 1, Article 175 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 the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Rule 10

If a shareholder meeting is convened by the Board, the meeting agenda shall be set by the Board, and relevant proposals (including Extraordinary Motions and amendments to the initial proposals) shall be put to the vote on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene other than the Board.

The chairperson 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 by the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

The chairperson 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 chairperson considers that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, and call for a vote.

Rule 11

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, its shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson. 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 chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes; if the shareholder's speech violates the rules or exceeds the scope of the motion, the chairperson may have the shareholder stop the speech.

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders'. The Chairman will have the violating shareholders stopped.

When an institutional 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 chairperson may respond or direct relevant personnel to respond.

Rule 12

Votes cast at shareholders' meetings shall be calculated based on the number of shares.

The shares held by shareholders having no voting rights shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders.

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 a proxy for any other shareholder.

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

Except for trust enterprises or stock agencies approved by the competent authority of securities, when a person acts as the proxy for two or more shareholders, the number of voting rights represented by it shall not exceed 3% of the total number of voting shares of the company; otherwise, the portion of excessive voting power shall not be counted.

Rule 13

A shareholder is entitled to one vote for each share it holds; however, this shall not apply to those restricted or having no vote rights.

When the Company holds a shareholders' meeting, it may adopt the exercise of voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting convening notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, it shall be deemed as a waiver of rights with respect to the Extraordinary Motions and amendments to the initial proposals of the shareholders' meeting.

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 at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. However, this shall not apply to a declaration made to cancel the earlier declaration of intent.

In case a shareholder who has exercised its voting power by correspondence or electronic means intends to attend the shareholders' meeting in person, it shall, latest, serve a separate declaration of intention to rescind its previous declaration of intention made in exercising the voting rights under the preceding paragraph latest by two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising its voting rights. In the absence of a timely rescission of the previous declaration of intention, the voting rights exercised by correspondence or electronic means shall prevail. If the shareholder exercises the voting right by correspondence or electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at 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 the majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the number of votes for or against and the number of abstentions, shall be entered on the MOPS.

When there is an amendment or an alternative to a proposal, the chairperson shall

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

Scrutineers and vote counting personnel for the proposals voted on shall be appointed by the chairperson, provided all scrutineers be shareholders of the Company. The counting of votes shall be publicly made at the venue of the shareholders' meeting; the outcome of a vote shall be reported on the spot and recorded accordingly.

Rule 14

If a shareholders' meeting involves the election of Directors, it shall be arranged according to relevant election specifications and regulations established by the Company, and the outcome of the election shall be reported on the spot, including the list of the elected Directors, the number of votes they received, and the list of non-elected candidates, and the number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

Rule 15

Meeting minutes shall be made for the resolutions made at shareholders' meetings, and arrangements shall be made according to the requirements under Article 183 of the Company Act.

Meeting minutes shall set out the year, month, date, venue, name of the chairperson and the resolution method, proceedings and results (including the number of votes calculated); when there is an election of Directors or supervisors, the number of votes received by each candidate shall be disclosed. The minutes shall be permanently kept throughout the duration of the Company.

Rule 16

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

If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS within the prescribed period.

Rule 17

Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

The chairperson may direct the proctors or security personnel to help maintain order at the meeting venue. When proctors or security personnel help maintain order at the meeting venue, they shall wear an identification badge or an armband reading "Proctor."

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

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

Rule 18

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

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

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

Rule 19

Scrutineers, vote counting personnel, and other staff for the proposals voted on shall be appointed by the chairperson, provided all scrutineers be shareholders of the Company.

The outcome of a vote shall be reported on the spot and recorded accordingly.

Rule 20

The Rules were implemented after being approved by the shareholders' meeting; the same shall apply to any amendment.

Establishment date: March 1, 2001
Date of 1st amendment: September 18, 2002
Date of 2nd amendment: June 23, 2006
Date of 3rd amendment: June 21, 2012
Date of 4th amendment: June 22, 2017
Date of 5th amendment: June 30, 2020
Date of 6th amendment: August 2, 2021

(Appendix VIII)

DrayTek Corporation
Procedures for Asset Acquisition and Disposal

I. Purpose

These Procedures are established to strengthen asset management, safeguard investments, and implement information disclosure.

The Company's acquisition or disposal of assets shall be handled in accordance with these Procedures.

II. Legal basis

These Procedures are established in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by the Securities and Futures Bureau of the Financial Supervisory Commission, hereinafter referred to as the "Securities and Futures Bureau."

III. Scope of assets

The scope of assets referred to in these Procedures is as follows:

- (I) Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing funds, depositary receipts, call or put warrants, beneficiary securities, asset-backed securities, and other securities.
- (II) Real property, including land, buildings and structures, investment property, and inventories of the construction industry, and equipment.
- (III) Memberships.
- (IV) Intangible assets, such as patents, copyrights, trademarks, and franchises.
- (V) Right-of-use assets.
- (VI) Claims of financial institutions, including receivables, bills purchased and discounted, loans, and overdue receivables.
- (VII) Derivatives.
- (VIII) Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- (IX) Other material assets.

IV. Definitions

- (I) Derivatives: Forward contracts, option contracts, futures contracts, leveraged margin contracts, swap contracts, combinations of the foregoing contracts, or hybrid contracts or structured products containing embedded derivatives, whose value is derived from a specified interest rate, financial instrument price, commodity price, exchange rate, price or rate index, credit rating or credit index, or other variable. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts, or long-term purchase or sales contracts.

- (II) Assets acquired or disposed of through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Assets acquired or disposed of through mergers, demergers, or acquisitions conducted in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act, or other laws, or through the issuance of new shares to acquire shares of another company in accordance with Article 156-3 of the Company Act, hereinafter referred to as “transfer of shares.”
 - (III) Related parties and subsidiaries: Determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
 - (IV) Professional appraiser: A real estate appraiser or any other person legally permitted to engage in the appraisal of real property or equipment.
 - (V) Date of occurrence: The earliest of the date of signing of the transaction contract, payment date, consignment trade date, transfer date, Board resolution date, or any other date on which the transaction counterparty and transaction amount can be confirmed. For investments requiring approval from the competent authority, the date shall be the earlier of the aforementioned dates or the date on which approval from the competent authority is received.
 - (VI) Investment in Mainland China: Investment in Mainland China conducted in accordance with the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area issued by the Investment Commission of the Ministry of Economic Affairs.
 - (VII) Professional investor: A financial holding company, bank, insurance company, bills finance company, trust enterprise, securities firm engaging in proprietary trading or underwriting business, futures commission merchant engaging in proprietary trading business, securities investment trust enterprise, securities investment consulting enterprise, or fund management company that is established in accordance with law and regulated by the local financial competent authority.
 - (VIII) Securities exchange: A domestic securities exchange refers to the Taiwan Stock Exchange Corporation. A foreign securities exchange refers to any organized securities trading market regulated by the securities competent authority of the jurisdiction in which it is located.
 - (IX) Business premises of a securities firm: The business premises of a domestic securities firm refer to the premises where a securities firm conducts transactions over a dedicated counter in accordance with the Regulations Governing Securities Trading on the Taipei Exchange. The business premises of a foreign securities firm refer to the business premises of a financial institution that is regulated by a foreign securities competent authority and permitted to engage in securities business.
- V. Requirements for professional appraisers and their appraisers, CPAs, attorneys, or securities underwriters issuing appraisal reports or opinions obtained by the Company:
- (I) They shall not have been convicted by a final and binding judgment of imprisonment for one year or more for violation of the Securities and Exchange Act, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, misappropriation, forgery of documents, or any occupational

crime. However, this restriction shall not apply if three years have elapsed since completion of the sentence, expiration of the probation period, or pardon.

- (II) They shall not be related parties to, or have a substantive related-party relationship with, any party to the transaction.
- (III) Where the Company is required to obtain appraisal reports from two or more professional appraisers, such professional appraisers or appraisers shall not be related parties to, or have a substantive related-party relationship with, one another.

When issuing an appraisal report or opinion, the persons referred to in the preceding paragraph shall comply with the self-regulatory rules of their respective professional associations and the following requirements:

- (I) Before accepting an engagement, they shall prudently assess their professional competence, practical experience, and independence.
- (II) When performing an engagement, they shall properly plan and carry out appropriate procedures in order to form a conclusion and issue a report or opinion accordingly. The procedures performed, information collected, and conclusions reached shall be faithfully recorded in the engagement working papers.
- (III) The appropriateness and reasonableness of the sources, parameters, information, and other materials used shall be assessed item by item as the basis for issuing the appraisal report or opinion.
- (IV) The statement shall include matters such as the professionalism and independence of the relevant personnel, confirmation that the information used has been assessed as appropriate and reasonable, and compliance with relevant laws and regulations.

- VI. Where the Company's acquisition or disposal of assets is required to be approved by the Board of Directors under these Procedures or other laws, and any director expresses an objection that is recorded or stated in writing, the information relating to such objection shall be submitted to the Audit Committee. The opinions of all independent directors shall be fully considered. If any independent director expresses an objection or qualified opinion, such opinion shall be recorded in the minutes of the Board meeting.

Material asset transactions or derivatives transactions shall be approved by more than one-half of all Audit Committee members and submitted to the Board of Directors for resolution. Paragraphs 4 and 5 of Article 19 shall apply mutatis mutandis.

- VII. Limits on acquisition of real property and right-of-use assets thereof not for business use, or securities

- (I) The limits on the Company's acquisition of real property and right-of-use assets thereof not for business use, or securities, are as follows:
 - 1. The total amount of real property and right-of-use assets thereof not for business use purchased shall not exceed 20% of the Company's net worth as stated in its most recent financial statements.
 - 2. The total amount of investments in securities shall not exceed 20% of the Company's net worth as stated in its most recent financial statements.

3. The amount invested in any individual security shall not exceed 10% of the Company's net worth as stated in its most recent financial statements.
- (II) The limits on the acquisition of real property and right-of-use assets thereof not for business use, or securities, by the Company's subsidiaries are as follows:
 1. The total amount of real property and right-of-use assets thereof not for business use purchased shall not exceed 20% of the net worth of the respective subsidiary as stated in its most recent financial statements.
 2. The total amount of investments in securities shall not exceed 20% of the net worth of the respective subsidiary as stated in its most recent financial statements.
 3. The amount invested in any individual security shall not exceed 10% of the net worth of the respective subsidiary as stated in its most recent financial statements.
- (III) The amount that the Company and its subsidiaries may invest in shares of TWSE- or TPEX-listed companies shall be handled separately in accordance with the Company's Management Procedures for Long- and Short-Term Investments.

VIII. Evaluation and operating procedures for acquisition or disposal of securities

(I) Pricing method and reference basis

Before acquiring or disposing of securities, the Company shall obtain, before the date of occurrence of the event, the most recent financial statements of the target company audited, certified, or reviewed by a CPA as a reference for evaluating the transaction price:

1. The acquisition or disposal of securities traded on a centralized securities exchange market or at the business premises of a securities firm shall be determined based on the prevailing market price.
2. The acquisition or disposal of securities not traded on a centralized securities exchange market or at the business premises of a securities firm shall be negotiated with reference to factors such as net worth per share, profitability, future development potential, market interest rates, bond coupon rates, debtor creditworthiness, and prevailing transaction prices.

(II) Engagement of experts to issue opinions

Where the Company acquires or disposes of securities under any of the following circumstances, and the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or more, the Company shall, before the date of occurrence of the event, engage a CPA to provide an opinion on the reasonableness of the transaction price:

1. Acquisition or disposal of securities not traded on a securities exchange or at the business premises of a securities firm.
2. Acquisition or disposal of privately placed securities.
3. However, this requirement shall not apply where the securities have quoted prices in an active market or where otherwise provided by the Financial Supervisory Commission.

Where assets are acquired or disposed of through a court auction, the evidentiary

documents issued by the court may replace the CPA opinion.

(III) Authorization limits and approval levels

1. For acquisition or disposal of securities traded on a centralized securities exchange market or at the business premises of a securities firm, where the transaction amount is NT\$50 million or less, the transaction shall be submitted through the Company's internal approval process and presented to the General Manager for approval. Where the transaction amount exceeds NT\$50 million, it shall be conducted only after approval by the Board of Directors.
2. Acquisition or disposal of securities not traded on a centralized securities exchange market or at the business premises of a securities firm shall be conducted only after approval by the Board of Directors. However, the Board of Directors may authorize the Chairman to approve transactions within NT\$30 million, which shall subsequently be submitted to the Board of Directors for ratification.

(IV) Execution unit

The Finance Department shall be the execution unit responsible for the Company's acquisition and disposal of long- and short-term securities investments.

(V) Transaction process

The Company's transaction process for acquisition or disposal of securities shall be handled in accordance with the provisions governing investment cycle operations under the Company's internal control system.

IX. Evaluation and operating procedures for acquisition or disposal of real property, equipment, or right-of-use assets thereof

(I) Pricing method and reference basis

For acquisition or disposal of real property, equipment, or right-of-use assets thereof, the original using unit or relevant responsible unit shall submit a signed report with explanations. The asset management unit shall refer to factors such as announced current value, assessed value, actual transaction prices of nearby real property, and recent transaction prices of similar assets, and shall proceed by price comparison, price negotiation, or tender.

(II) Engagement of experts to issue appraisal reports

Where the Company acquires or disposes of real property, equipment, or right-of-use assets thereof, except for transactions with domestic government agencies, construction on owned land, construction on leased land, or acquisition or disposal of equipment or right-of-use assets thereof for business use, and the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report issued by a professional appraiser before the date of occurrence of the event and comply with the following requirements:

1. Where, for special reasons, a restricted price, specified price, or special price must be used as the reference basis for the transaction price, the transaction shall first be approved by resolution of the Board of Directors. The same shall apply to any subsequent changes to the transaction terms.

2. Where the transaction amount reaches NT\$1 billion or more, appraisals shall be obtained from two or more professional appraisers.
3. Where any of the following applies to the appraisal results issued by professional appraisers, unless all appraisal results for acquired assets are higher than the transaction amount or all appraisal results for disposed assets are lower than the transaction amount, a CPA shall be engaged to provide a specific opinion on the reasons for the discrepancy and the fairness of the transaction price:
 - A. The discrepancy between the appraisal result and the transaction amount reaches 20% or more of the transaction amount.
 - B. The discrepancy between the appraisal results of two or more professional appraisers reaches 10% or more of the transaction amount.
4. The date on which the professional appraiser issues the report and the contract execution date shall not be more than three months apart. However, if the same announced current value applies and the period has not exceeded six months, the original professional appraiser may issue an opinion. Where assets are acquired or disposed of through a court auction, the evidentiary documents issued by the court may replace the appraisal report or CPA opinion.

(III) Authorization limits and approval levels

For acquisition or disposal of real property, equipment, or right-of-use assets thereof, where the transaction amount is NT\$50 million or less, the transaction shall be submitted through the Company's internal approval process and presented to the General Manager for approval. Where the transaction amount exceeds NT\$50 million, it shall be conducted only after approval by the Board of Directors.

(IV) Execution unit

The using department and relevant responsible units shall be the execution units responsible for the Company's acquisition and disposal of real property, equipment, or right-of-use assets thereof.

(V) Transaction process

The Company's transaction process for acquisition or disposal of real property, equipment, or right-of-use assets thereof shall be handled in accordance with the provisions governing fixed asset cycle operations under the Company's internal control system.

X. Evaluation and operating procedures for related-party transactions

Where the Company acquires or disposes of assets with a related party, in addition to handling the transaction in accordance with the preceding article, the Company shall also complete the relevant resolution procedures and evaluate the reasonableness of the transaction terms in accordance with the following provisions. Where the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report issued by a professional appraiser or a CPA opinion.

The transaction amount referred to in the preceding paragraph shall be calculated in accordance with Article 15, Paragraph 1, Subparagraph 9.

(I) Where the Company acquires or disposes of real property or right-of-use assets

thereof from or to a related party, or acquires or disposes of assets other than real property or right-of-use assets thereof from or to a related party, and the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of total assets, or NT\$300 million or more, except for trading of domestic government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall first be approved by the Audit Committee and then submitted to and approved by the Board of Directors before the transaction contract may be signed and any payment may be made:

1. The purpose, necessity, and expected benefits of the acquisition or disposal of assets.
2. The reason for selecting the related party as the transaction counterparty.
3. For acquisition of real property or right-of-use assets thereof from a related party, relevant information on the assessment of the reasonableness of the proposed transaction terms in accordance with Paragraph 3, Subparagraphs 2 and 3 of this article.
4. The original acquisition date and price by the related party, the transaction counterparty, and the relationship between the transaction counterparty and the Company and the related party.
5. A monthly cash receipts and disbursements forecast for the year commencing from the month in which the contract is expected to be signed, together with an assessment of the necessity of the transaction and the reasonableness of fund utilization.
6. The appraisal report issued by a professional appraiser or CPA opinion obtained in accordance with the preceding article.
7. Restrictive covenants and other material terms of the transaction.

For the following transactions conducted between the Company and a subsidiary, or among subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital, the Board of Directors may authorize the Chairman to approve transactions of NT\$50 million or less first, which shall then be submitted to the most recent Board meeting for ratification. The execution unit shall be the Finance Department. The transaction process shall be handled in accordance with the provisions governing fixed asset cycle operations under the Company's internal control system:

1. Acquisition or disposal of equipment or right-of-use assets thereof for business use.
2. Acquisition or disposal of right-of-use assets of real property for business use.

When a transaction involving the acquisition or disposal of assets is submitted to the Board of Directors for discussion in accordance with this subparagraph, the opinions of all independent directors shall be fully considered. If any independent director expresses an objection or qualified opinion, such opinion shall be recorded in the minutes of the Board meeting.

Matters under this subparagraph shall first be approved by more than one-half of all Audit Committee members and submitted to the Board of Directors for resolution. Paragraphs 4 and 5 of Article 19 shall apply mutatis mutandis.

Where the Company or a subsidiary that is not a domestic public company enters into a transaction under this subparagraph, and the transaction amount reaches 10% or more of the Company's total assets, the Company shall submit the information set out in Items 1 to 7 of this subparagraph to the shareholders' meeting for approval before the transaction contract may be signed and any payment may be made. However, this restriction shall not apply to transactions between the Company and a subsidiary, or among subsidiaries.

The transaction amount under this subparagraph shall be calculated in accordance with Article 15, Paragraph 1, Subparagraph 2. The term "within one year" means the one-year period calculated retrospectively from the date of occurrence of the current transaction. Portions that have already been submitted to the shareholders' meeting, approved by the Audit Committee, and submitted to and approved by the Board of Directors in accordance with the regulations need not be counted again.

(II) Assessment of the reasonableness of transaction costs

1. Where the Company acquires real property or right-of-use assets thereof from a related party, the reasonableness of the transaction cost shall be assessed using the following methods:
 - A. The related party's transaction price plus necessary funding interest and costs legally borne by the buyer. The necessary funding interest cost shall be calculated based on the weighted average interest rate of the Company's borrowings in the year in which the asset is purchased; however, it shall not exceed the maximum borrowing rate for non-financial industries announced by the Ministry of Finance.
 - B. Where the related party has created a mortgage on the subject matter with a financial institution, the total appraised loan value of the subject matter assessed by the financial institution may be used, provided that the actual cumulative loan amount extended by the financial institution against the subject matter has reached 70% or more of the total appraised loan value and the loan period has exceeded one year. However, this shall not apply where the financial institution and either party to the transaction are related parties.
2. Where land and buildings of the same subject matter are purchased or leased together, the transaction costs of the land and buildings may be separately assessed using any of the methods set out in Item 1 of this subparagraph.
3. Where the Company acquires real property or right-of-use assets thereof from a related party, the cost of the real property or right-of-use assets thereof shall be assessed in accordance with Items 1 and 2 of this subparagraph, and a CPA shall be engaged to review the assessment and provide a specific opinion.
4. Where the Company acquires real property or right-of-use assets thereof from a related party under any of the following circumstances, the transaction shall be handled in accordance with Paragraph 3, Subparagraph 1 of this article, and Items 1 to 3 of this subparagraph shall not apply:
 - A. The related party acquired the real property or right-of-use assets thereof through inheritance or gift.
 - B. More than five years have elapsed between the date on which the related

party signed the contract to acquire the real property or right-of-use assets thereof and the contract signing date of the current transaction.

- C. The Company acquires real property by signing a joint construction contract with a related party, or by engaging a related party to construct real property through construction on owned land or construction on leased land.
- D. The Company acquires right-of-use assets of real property for business use from a subsidiary, or among subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital.

(III) Where the assessment results under Items 1 and 2 of the preceding subparagraph are both lower than the transaction price, the Company shall handle the matter in accordance with Paragraph 3, Subparagraph 4 of this article. However, this shall not apply if objective evidence is provided and specific opinions on reasonableness are obtained from a professional real property appraiser and a CPA under any of the following circumstances:

- 1. Where the related party acquired undeveloped land or leased land for subsequent construction, and evidence can be provided to prove that one of the following conditions is met:
 - A. The undeveloped land is assessed using the method set out in Subparagraph 2 of this paragraph, and the buildings are assessed based on the related party's construction cost plus reasonable construction profit, with the aggregate amount exceeding the actual transaction price. Reasonable construction profit shall be based on the lower of the average gross operating margin of the related party's construction department for the most recent three years or the most recent gross margin for the construction industry announced by the Ministry of Finance.
 - B. Other transaction cases involving unrelated parties for other floors of the same property or in nearby areas within the past year have similar areas, and their transaction terms are comparable after assessment of reasonable floor or area price differences that are customary in real property sales or leasing.
- 2. Evidence is provided to prove that the transaction terms for the purchase of real property or the lease of right-of-use assets of real property from a related party are comparable to other transaction cases involving unrelated parties in nearby areas within the past year and with similar areas. The term "transaction cases in nearby areas" generally refers to cases within the same or adjacent block and within a radius of no more than 500 meters from the transaction subject matter, or cases with a similar announced current value. The term "similar areas" generally means that the area of other transaction cases involving unrelated parties is not less than 50% of the area of the transaction subject matter. The term "within the past year" means the one-year period calculated retrospectively from the date of occurrence of the acquisition of the real property or right-of-use assets thereof.

(IV) Where the Company acquires real property or right-of-use assets thereof from a related party and the assessment results under Subparagraphs 2 and 3 of this paragraph are both lower than the transaction price, the following matters shall be handled:

1. The Company shall, in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act, appropriate a special reserve for the difference between the transaction price of the real property or right-of-use assets thereof and the assessed cost. Such reserve may not be distributed or used for capital increase through stock dividends. Where an investor that accounts for its investment in the Company using the equity method is a public company, it shall also appropriate a special reserve in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act based on its shareholding ratio.
2. The independent directors of the Audit Committee shall proceed in accordance with Article 218 of the Company Act.
3. The handling status of Items 1 and 2 of this subparagraph shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.

Where a special reserve has been appropriated in accordance with the preceding provisions, the special reserve may be used only after the asset purchased or leased at a high price has recognized an impairment loss, been disposed of, the lease has been terminated, appropriate compensation has been made, the asset has been restored to its original condition, or there is other evidence confirming that there is no unreasonableness, and approval has been obtained from the Securities and Futures Bureau of the Financial Supervisory Commission.

- (V) Where the Company acquires real property or right-of-use assets thereof from a related party, and there is other evidence indicating that the transaction is not conducted on arm's length terms, the Company shall also handle the matter in accordance with Subparagraph 4 of this paragraph.

XI. Evaluation and operating procedures for acquisition or disposal of intangible assets, right-of-use assets thereof, or memberships

(I) Pricing method and reference basis

For acquisition or disposal of intangible assets, right-of-use assets thereof, or memberships, the Company shall take into account the potential future benefits of such assets and their fair market value, and, where necessary, refer to expert opinions before negotiating and determining the price with the transaction counterparty.

(II) Engagement of experts to issue opinions

1. For acquisition or disposal of memberships, where the transaction amount reaches 1% or more of the Company's paid-in capital or NT\$3 million or more, the Company shall engage an expert to issue an appraisal report.
2. For acquisition or disposal of intangible assets or right-of-use assets thereof, where the transaction amount reaches 10% or more of the Company's paid-in capital or NT\$30 million or more, the Company shall engage an expert to issue an appraisal report.
3. For acquisition or disposal of intangible assets, right-of-use assets thereof, or memberships, where the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, the Company shall, before the date of occurrence of the event, engage a CPA to provide an opinion on

the reasonableness of the transaction price.

(III) Authorization limits and approval levels

1. For acquisition or disposal of memberships, where the transaction amount is NT\$3 million or less, the transaction shall be submitted through the Company's internal approval process and presented to the General Manager for approval. Where the transaction amount exceeds NT\$3 million, it shall be conducted only after approval by the Board of Directors.
2. For acquisition or disposal of intangible assets or right-of-use assets thereof, where the transaction amount is NT\$30 million or less, the transaction shall be submitted through the Company's internal approval process and conducted only after approval by the Chairman, and shall be reported to the next Board meeting. Where the transaction amount exceeds NT\$30 million, it shall be conducted only after approval by the Board of Directors.

(IV) Execution unit

The Finance Department, management unit, and relevant responsible units shall be the execution units responsible for the Company's acquisition and disposal of intangible assets, right-of-use assets thereof, or memberships.

(V) Transaction process

The Company's transaction process for acquisition or disposal of intangible assets, right-of-use assets thereof, or memberships shall be handled in accordance with the provisions governing procurement and payment cycle operations under the Company's internal control system.

XII. Evaluation and operating procedures for acquisition or disposal of claims of financial institutions

In principle, the Company does not engage in transactions involving the acquisition or disposal of claims of financial institutions. If the Company intends to engage in such transactions in the future, it shall submit the matter to the Board of Directors for approval before establishing the relevant evaluation and operating procedures.

XIII. Evaluation and operating procedures for acquisition or disposal of derivatives

(I) Trading principles and policies

1. Types of transactions

The Company's derivatives transactions are classified by purpose into two types: "non-trading," meaning hedging transactions not for trading purposes, and "trading," meaning non-hedging transactions for trading purposes.

The derivatives that the Company may trade shall currently be primarily used to hedge exchange rate and interest rate risk exposures arising from the Company's business operations. Any other derivatives transactions may be conducted only after approval by resolution of the Board of Directors.

2. Operating or hedging strategy

The Company shall engage in derivatives transactions for risk-hedging purposes. The trading products selected shall primarily be those used to hedge risks arising from the Company's business operations.

The Company shall select financial institutions with more favorable terms as

transaction counterparties for derivatives transactions based on operational needs, so as to conduct hedging transactions and avoid credit risk.

3. Division of authority and responsibilities

The responsibilities of each unit in connection with the Company's derivatives transactions are divided as follows:

- A. Procurement Department: Responsible for formulating operating strategies for commodity futures trading, and conducting transactions in accordance with the authorized authority.
- B. Finance Department: Responsible for formulating operating strategies for derivatives other than commodity futures, and conducting transactions in accordance with the authorized authority.
- C. Accounting Department: Responsible for accounting treatment of derivatives transactions, preparation of accounting reports, and regular data compilation.
- D. Audit Department: Responsible for understanding the appropriateness of internal controls, including segregation of duties and operating procedures, and auditing the transaction unit's compliance with these Procedures.

Where the Company engages in derivatives transactions for "non-trading" purposes, transactions shall be conducted in accordance with the following authorization levels:

Level	Contract amount per transaction	Accumulated net position
Board of Directors	Over US\$1 million	Over US\$3 million
Approved by the Chairman and submitted to the next Board meeting for ratification	US\$1 million or less	US\$3 million or less
Chairman	US\$300 thousand or less	US\$300 thousand or less
President	US\$100 thousand or less	US\$100 thousand or less

Where the Company engages in derivatives transactions for "trading" purposes, each transaction shall be conducted only after approval by the Chairman, and shall be submitted to the next Board meeting for ratification.

4. Performance evaluation

- A. Non-trading derivatives: Based on the type of trading product, after market close on each contract maturity transaction date, the Finance Department shall use the net realized gains or losses as the basis for performance evaluation, compare the profit or loss performance against the established trading objectives, conduct regular reviews, and submit the results to the Chairman for review.
- B. Trading derivatives: For realized positions, the Finance Department shall use the actual gains or losses as the basis for performance evaluation. For

unrealized positions, the net and total gains or losses on open positions shall be marked to market daily based on the daily closing price and used as a reference for performance evaluation.

5. Total contract amount

The total contract amount of the Company's "non-trading" derivatives transactions shall not exceed actual business needs. The total contract amount of "trading" derivatives transactions shall be limited to 20% of the Company's net worth.

6. Loss limit

Although the Company conducts derivatives transactions for hedging purposes, if exchange rates have a material adverse impact, the Company shall convene relevant personnel at any time to respond. The maximum loss limit for contracts shall not exceed 20% of the contract amount, and this shall apply to both individual contracts and all contracts in aggregate.

(II) Risk management measures

1. Scope of risk management

A. Credit risk management: Transaction counterparties shall, in principle, be domestic or overseas financial institutions with good credit standing and the ability to provide professional information. The finance officer shall be responsible for controlling transaction limits with financial institutions. Exposure shall not be overly concentrated, and transaction limits with financial institutions shall be adjusted at any time based on changes in market conditions.

B. Market risk management: Markets with fully transparent quotation information shall be selected.

C. Liquidity risk management: To ensure liquidity, the financial institutions engaged for transactions must have sufficient equipment, information, and trading capabilities, and be able to conduct transactions in any market.

D. Cash flow risk management: To ensure the stability of the Company's working capital turnover, the source of funds for the Company's derivatives transactions shall be limited to its own funds, and the transaction amount shall take into account funding needs based on cash receipt and disbursement forecasts for the next three months.

E. Operational risk management: The Company's authorized limits, operating procedures, and other requirements must be strictly followed to avoid operational risks.

F. Legal risk management: Any documents to be signed with financial institutions shall be reviewed by legal personnel before formal execution to avoid legal risks.

2. Personnel engaged in derivatives trading shall not concurrently serve as personnel responsible for confirmation, settlement, or other related operations.

3. Personnel responsible for risk measurement, supervision, and control shall belong to a department different from that of the personnel referred to in the preceding item, and shall report to the Board of Directors or to senior management personnel who are not responsible for trading or position

decision-making.

4. Positions held in derivatives transactions shall be evaluated regularly in accordance with Paragraph 1, Subparagraph 4-1, Item A of this article.

(III) Internal audit system

The Company's internal auditors shall regularly understand the adequacy of internal controls over derivatives transactions and audit the trading department's compliance with the procedures for derivatives transactions on a monthly basis. Audit reports shall be prepared accordingly. If any material violation is discovered, the Audit Committee and all independent directors shall be notified in writing.

(IV) Regular evaluation methods and handling of irregularities

1. Positions held in derivatives transactions shall be evaluated at least once a week. However, hedging transactions conducted for business needs shall be evaluated at least twice a month. The evaluation reports shall be submitted to senior management personnel authorized by the Board of Directors.
2. The Board of Directors shall authorize senior management personnel to regularly supervise and evaluate whether the risk management measures currently used are appropriate, whether derivatives transaction operations are conducted in accordance with regulations, whether the performance of derivatives transactions is consistent with the established operating strategy, and whether the risks assumed are within the Company's permissible risk tolerance. If any irregularity is identified, necessary response measures shall be taken, and the matter shall be reported immediately to the Board of Directors.

(V) Supervision and management by the Board of Directors

1. When the Company engages in derivatives transactions, the Board of Directors shall duly supervise and manage such transactions in accordance with the following principles:
 - A. Designate senior management personnel to monitor and control derivatives transaction risks at all times.
 - B. Regularly evaluate whether the performance of derivatives transactions is consistent with the established operating strategy and whether the risks assumed are within the Company's permissible risk tolerance.
2. Senior management personnel authorized by the Board of Directors shall manage derivatives transactions in accordance with the following principles:
 - A. Regularly evaluate whether the risk management measures currently used are appropriate, and ensure that transactions are handled in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" issued by the Securities and Futures Bureau and these Procedures.
 - B. Supervise the status of transactions and gains or losses. If any irregularity is identified, necessary response measures shall be taken, and the matter shall be reported immediately to the Board of Directors. Independent directors shall attend the Board meeting and express their opinions.
3. Where the Company authorizes relevant personnel to conduct derivatives transactions in accordance with these Procedures, the transactions shall be

reported to the next Board meeting.

- (VI) When the Company engages in derivatives transactions, it shall establish a reference book and record in detail, for reference, the types and amounts of derivatives transactions, the date of approval by the Board of Directors, and the matters required to be prudently evaluated under Paragraph 1, Subparagraph 4, Paragraph 5, Subparagraph 1, Item B, and Paragraph 5, Subparagraph 2, Item A of this article.

XIV. Evaluation and operating procedures for mergers, demergers, acquisitions, or transfer of shares

- (I) Method for determining transaction consideration and reference basis

When conducting a merger, demerger, acquisition, or transfer of shares, the Company shall comprehensively consider the past and future financial and business conditions of the participating companies, the expected future benefits, and the fairness of the market-based method for determining the transaction price. The Company shall also refer to the professional opinions of CPAs, attorneys, or securities underwriters, and negotiate the price with the other party participating in the merger, demerger, acquisition, or transfer of shares.

- (II) Engagement of experts to issue opinions

When conducting a merger, demerger, acquisition, or transfer of shares, the Company shall, before convening the Board meeting for resolution, engage a CPA, attorney, or securities underwriter to provide an opinion on the reasonableness of the share exchange ratio, acquisition price, or cash or other property to be distributed to shareholders, and submit the opinion to the Board of Directors for discussion and approval. However, where the Company merges with a subsidiary in which it directly or indirectly holds 100% of the issued shares or total capital, or where subsidiaries in which the Company directly or indirectly holds 100% of the issued shares or total capital merge with one another, the Company may be exempt from obtaining the aforementioned expert opinion on reasonableness.

- (III) Decision-making level

When the Company conducts a merger, demerger, acquisition, or transfer of shares, resolutions shall be handled in accordance with the Company Act and relevant laws and regulations.

- (IV) Submission of relevant information and disclosure where approval by the shareholders' meeting cannot be obtained

1. When the Company conducts a merger, demerger, or acquisition, it shall prepare a public document to shareholders before the shareholders' meeting, stating the material terms and relevant matters of the merger, demerger, or acquisition. The document shall be delivered to shareholders together with the expert opinion referred to in Paragraph 1, Subparagraph 2 of this article and the notice of the shareholders' meeting, as a reference for deciding whether to approve the merger, demerger, or acquisition. However, this restriction shall not apply where other laws provide that a shareholders' meeting resolution for the merger, demerger, or acquisition may be exempted.

2. Where the shareholders' meeting of any company participating in a merger, demerger, or acquisition cannot be convened or cannot pass a resolution due

to insufficient attendance, insufficient voting rights, or other legal restrictions, or where the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger, or acquisition shall immediately publicly explain the reason for the occurrence, subsequent handling procedures, and the expected date for convening the shareholders' meeting.

(V) Dates of Board meetings and shareholders' meetings

1. When the Company conducts a merger, demerger, or acquisition, unless otherwise provided by other laws or unless special factors have been reported to and approved by the Securities and Futures Bureau in advance, the Company shall convene the Board meeting and shareholders' meeting on the same day as the companies participating in the merger, demerger, or acquisition to resolve matters related to the merger, demerger, or acquisition.
2. When the Company conducts a transfer of shares, unless otherwise provided by other laws or unless special factors have been reported to and approved by the Securities and Futures Bureau in advance, the Company shall convene the Board meeting on the same day as the companies participating in the transfer of shares..

(VI) Confidentiality obligations and avoidance of insider trading

All persons who participate in or are aware of the Company's merger, demerger, acquisition, or transfer of shares plan shall issue a written confidentiality undertaking. Before the information is made public, they shall not disclose the contents of the plan to any external party, nor shall they, either in their own name or in the name of another person, trade any shares or other equity-type securities of any company related to the merger, demerger, acquisition, or transfer of shares.

(VII) Principles for changes to the share exchange ratio or acquisition price

When the Company participates in a merger, demerger, acquisition, or transfer of shares, the share exchange ratio or acquisition price shall not be changed arbitrarily except under the following circumstances, and the circumstances under which changes may be made shall be specified in the merger, demerger, acquisition, or transfer of shares agreement:

1. Cash capital increase, issuance of convertible corporate bonds, stock dividends, issuance of corporate bonds with warrants, preferred shares with warrants, employee stock options, or other equity-type securities.
2. Actions affecting the Company's financial position or business operations, such as disposal of major assets of the Company.
3. Occurrence of major disasters, major technological changes, or other matters affecting shareholders' equity or securities prices.
4. Adjustment due to the repurchase of treasury shares by any company participating in the merger, demerger, acquisition, or transfer of shares in accordance with law.
5. Increase, decrease, or change in the participating entities or number of participating companies in the merger, demerger, acquisition, or transfer of shares.
6. Other conditions for changes that have been specified in the agreement and publicly disclosed.

(VIII) Matters to be specified in the agreement

When the Company participates in a merger, demerger, acquisition, or transfer of shares, the agreement shall specify the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also specify the following matters:

1. Handling of breach of contract.
2. Principles for handling equity-type securities previously issued or treasury shares previously repurchased by a company extinguished as a result of the merger or divided as a result of the demerger.
3. The number of treasury shares that the participating companies may repurchase in accordance with law after the record date for calculating the share exchange ratio, and the principles for handling such shares.
4. Handling method for any increase, decrease, or change in the participating entities or number of participating companies.
5. Expected implementation progress and expected completion schedule.
6. Relevant handling procedures, such as the scheduled date for convening a shareholders' meeting in accordance with law if the plan is not completed by the deadline.

(IX) After information has been publicly disclosed, if any company participating in a merger, demerger, acquisition, or transfer of shares intends to conduct another merger, demerger, acquisition, or transfer of shares with another company, all procedures or legal acts already completed under the original merger, demerger, acquisition, or transfer of shares shall be repeated by all participating companies. However, where the number of participating companies is reduced and the shareholders' meeting has resolved to authorize the Board of Directors to make changes, the participating companies may be exempt from convening another shareholders' meeting for a new resolution.

(X) Where any company participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall enter into an agreement with such company and handle the matter in accordance with Paragraph 1, Subparagraphs 5, 6, and 9 of this article.

(XI) A company participating in a merger, demerger, acquisition, or transfer of shares that is listed or whose shares are traded at the business premises of a securities firm shall prepare complete written records of the following information and retain such records for five years for audit purposes:

A company participating in a merger, demerger, acquisition, or transfer of shares that is listed or whose shares are traded at the business premises of a securities firm shall prepare complete written records of the following information and retain such records for five years for audit purposes:

1. Basic information of personnel: including the titles, names, and national identification numbers, or passport numbers for foreign nationals, of all persons who participated in the merger, demerger, acquisition, or transfer of shares plan or implementation of the plan before the information was made public.
2. Dates of material events: including the dates of signing letters of intent or memoranda of understanding, engaging financial or legal advisors, signing

agreements, and convening Board meetings.

3. Material documents and minutes: including the merger, demerger, acquisition, or transfer of shares plan, letters of intent or memoranda of understanding, material agreements, and Board meeting minutes.

(XII) A company participating in a merger, demerger, acquisition, or transfer of shares that is listed or whose shares are traded at the business premises of a securities firm shall, within two days from the date of approval by resolution of the Board of Directors, file the information specified in Items 1 and 2 of the preceding subparagraph with the Securities and Futures Bureau of the Financial Supervisory Commission through the internet information system in the prescribed format for recordation.

(XIII) Where any company participating in a merger, demerger, acquisition, or transfer of shares is not listed or its shares are not traded at the business premises of a securities firm, the company that is listed or whose shares are traded at the business premises of a securities firm shall enter into an agreement with such company and handle the matter in accordance with Paragraph 1, Subparagraphs 11 and 12 of this article.

XV. Public announcement and filing procedures

(I) Where the Company acquires or disposes of assets under any of the following circumstances, it shall make a public announcement and filing of the relevant information, in the prescribed format according to the nature of the transaction, on the website designated by the Securities and Futures Bureau within two days from the date of occurrence of the event:

1. Acquiring or disposing of real property or right-of-use assets thereof from or to a related party, or acquiring or disposing of assets other than real property or right-of-use assets thereof from or to a related party, where the transaction amount reaches 20% or more of the Company's paid-in capital, 10% or more of total assets, or NT\$300 million or more. However, this shall not apply to trading of domestic government bonds, bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

2. Conducting a merger, demerger, acquisition, or transfer of shares.

3. Engaging in derivatives transactions where losses reach the upper limit for losses on all contracts or individual contracts as specified in the prescribed procedures.

4. Acquiring or disposing of equipment or right-of-use assets thereof for business use, where the transaction counterparty is not a related party and the transaction amount meets any of the following criteria:

A. Where the Company's paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.

B. Where the Company's paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.

5. Acquiring real property through construction on owned land, construction on leased land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction

and separate sale, where the transaction counterparty is not a related party and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.

6. Asset transactions, disposal of receivables by financial institutions, or investments in Mainland China other than those specified in Subparagraphs 1 to 5 of this subparagraph, where the transaction amount reaches 20% or more of the Company's paid-in capital or NT\$300 million or more. However, this shall not apply to the following circumstances:

A. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than Taiwan's sovereign rating.

B. Trading of bonds under repurchase or resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

(II) The transaction amount referred to in the preceding subparagraph shall be calculated as follows:

1. The amount of each transaction.

2. The cumulative amount of transactions with the same counterparty for acquisition or disposal of subject matters of the same nature within one year.

3. The cumulative amount of acquisitions or disposals, calculated separately, of real property or right-of-use assets thereof under the same development project within one year.

4. The cumulative amount of acquisitions or disposals, calculated separately, of the same security within one year.

(III) The term "within one year" referred to in the preceding subparagraph means the one-year period calculated retrospectively from the date of occurrence of the current transaction. Portions that have already been publicly announced in accordance with the regulations need not be counted again.

(IV) The Company shall, on a monthly basis, enter information on derivatives transactions conducted by the Company and its subsidiaries that are not domestic public companies as of the end of the preceding month into the information reporting website designated by the Securities and Futures Bureau in the prescribed format by the 10th day of each month.

(V) Where any item required to be publicly announced by the Company in accordance with the regulations contains errors or omissions at the time of announcement and must be corrected, the Company shall re-announce and file all items within two days from the date on which it becomes aware of such errors or omissions.

(VI) When the Company acquires or disposes of assets, it shall keep the relevant contracts, meeting minutes, reference books, appraisal reports, and opinions issued by CPAs, attorneys, or securities underwriters at the Company. Unless otherwise provided by other laws, such documents shall be retained for at least five years.

(VII) After the Company has publicly announced and filed a transaction in accordance with Paragraph 1, Subparagraphs 1 to 6 of this article, if any of the following circumstances occurs, the Company shall publicly announce and file the relevant information on the website designated by the Securities and Futures Bureau

within two days from the date of occurrence of the event:

1. Any change, termination, or rescission of the relevant contract originally signed for the transaction.
 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the agreement.
 3. Any change to the contents originally publicly announced and filed.
- (VIII) Where a subsidiary of the Company is not a domestic public company and its acquisition or disposal of assets is subject to public announcement and filing under this article, the Company shall make the public announcement and filing on its behalf. For the public announcement and filing thresholds applicable to subsidiaries under Paragraph 1, Subparagraph 1 of this article, the paid-in capital or total assets shall be based on the Company's paid-in capital or total assets.
- (IX) The transaction amounts under Article 8, Paragraph 1, Subparagraph 2, Article 9, Paragraph 1, Subparagraph 2, and Article 11, Paragraph 1, Subparagraph 2 shall be calculated in accordance with Paragraph 1, Subparagraph 2 of this article. The term "within one year" means the one-year period calculated retrospectively from the date of occurrence of the current transaction. Portions for which an appraisal report issued by a professional appraiser or a CPA opinion has already been obtained in accordance with the regulations need not be counted again.
- (X) For the provisions in these Procedures relating to 10% of total assets, the amount of total assets shall be calculated based on the total assets stated in the most recent standalone or individual financial statements prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- XVI. Control procedures for subsidiaries' acquisition or disposal of assets
- (I) The Company shall ensure that each subsidiary establishes and implements procedures for acquisition or disposal of assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued by the Securities and Futures Bureau.
 - (II) Where a subsidiary's acquisition or disposal of assets is required to be approved by its Board of Directors under its "Procedures for Asset Acquisition and Disposal" or other laws, the subsidiary shall report the matter to the Company before the date of occurrence of the event. The Company's Finance Department shall evaluate the feasibility, necessity, and reasonableness of such acquisition or disposal of assets, and shall subsequently follow up on the implementation status and conduct analysis and review.
 - (III) The Company's internal auditors shall regularly audit each subsidiary's compliance with its "Procedures for Asset Acquisition and Disposal" and prepare audit reports accordingly. After the findings and recommendations in the audit reports have been submitted for approval, the audited subsidiaries shall be notified to make improvements. Follow-up reports shall be prepared regularly to confirm that appropriate improvement measures have been taken in a timely manner.

XVII. Penalties

If relevant personnel of the Company violate the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued by the Securities and Futures Bureau or the Company’s “Procedures for Asset Acquisition and Disposal” when handling the acquisition or disposal of assets, the matter shall be handled in accordance with the Company’s written internal control system, and penalties shall be imposed based on the severity of the violation.

XVIII. Supplementary provisions

Matters not provided for in these Procedures shall be handled in accordance with relevant laws and regulations.

XIX. Implementation

These Procedures shall be implemented after approval by more than one-half of all Audit Committee members, approval by the Board of Directors, and approval by the shareholders’ meeting. The same shall apply to any amendments. If any director expresses an objection that is recorded or stated in writing, the Company shall submit the information relating to the director’s objection to the Audit Committee.

When these Procedures are submitted to the Board of Directors for discussion, the opinions of all independent directors shall be fully considered. If any independent director expresses an objection or qualified opinion, such opinion shall be recorded in the minutes of the Board meeting.

If approval by more than one-half of all Audit Committee members as referred to in the preceding paragraph is not obtained, the Procedures may be adopted with the approval of more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board meeting.

The “all Audit Committee members” referred to in Paragraph 1 and the “all directors” referred to in the preceding paragraph shall be calculated based on the actual number of persons then in office.

XX. Amendment date

These Procedures were established on March 1, 2001.

The 2nd amendment was made on June 27, 2003.

The 3rd amendment was made on June 21, 2007.

The 4th amendment was made on June 16, 2009.

The 5th amendment was made on June 21, 2012.

The 6th amendment was made on June 26, 2014.

The 7th amendment was made on June 26, 2015.

The 8th amendment was made on June 22, 2017.

The 9th amendment was made on June 27, 2019.

The 10th amendment was made on August 2, 2021.

These Procedures were approved by the shareholders’ meeting on June 27, 2022.

(Appendix IX)

DrayTek Corporation

Shareholdings of All Directors

The number of shares held by the individual and all Directors on the shareholders' register of the Company as of the book closure date (April 28, 2026) of the annual shareholders' meeting is as follows:

Title	Name	Number of shares held that is set out in the shareholders' register as of the book closure date	
		Number of shares	Shareholding (%)
Chairman	Ma, Hung-Fang	5,755,645	5.92%
Director	Lin, Dong-Liang	2,545,280	2.62%
Director	Cheng, Ming-Te	2,473,796	2.54%
Director	Wen, Chang-Chung	1,197,508	1.23%
Director	Ou Yang, Chieh-Ping	5,707,344	5.87%
Director	Chien, Wei-ting	614,776	0.63%
Independent Director	Huang, Chen-Sung	8,038	0.01%
Independent Director	Chen, Shen-Chih	0	0.00%
Independent Director	Chuang, Ya-Hui	0	0.00%
Minimum number of shares held by all Directors stated by the law		7,783,690	
Number of shares held by all Directors		18,294,349	Accounting for 18.80% of the total shares

- Note: 1. As of the book closure date of the annual shareholders' meeting in 2026, the Company's paid-in capital was NT\$972,961,370, and the total issued shares were 97,296,137.
2. The Company has three Independent Directors. According to the ratio standards stated in Article 26 of the Securities and Exchange Act and the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the Financial Supervisory Commission, the minimum ratio of the number of shares held by all Directors and supervisors stated by the law may be reduced to 80% when there are two Independent Directors or more being elected.
3. The Company has established its Audit Committee; therefore, the requirements related to the number of shares to be held by supervisors stated in the law shall not apply.