



Stock Code: 3556

eGalax_eMPIA Technology Inc.

The Procedure of 2023 Annual General Meeting of Shareholders

(Summary Translation)

This document is prepared in accordance with the Chinese version and is for reference only. If there is any inconsistency or ambiguity between the two versions, the Chinese version shall prevail.

Type : Face to Face Meeting

Time : 9:00 a.m., Wednesday, June 7, 2023

Venue : No.17, Lane91, Section1, Nei Hu Rd. Nei Hu District, Taipei City 114, Taiwan
R.O.C. (7F, Conference Room, Chu Pao Building)

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eGalax_eMPIA Technology Inc.

**The Procedure of 2023 Annual General Meeting
of Shareholders**

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Proposed Resolutions
5. Discussion and Director
Election Items
6. Ad Hoc Motion
7. Adjournment

eGalax_eMPIA Technology Inc.

2023 Annual Shareholders' Meeting Agenda

Type : Face to Face Meeting

Time : 9:00 a.m., Wednesday, June 7, 2023

Venue : No.17, Lane91, Section1, Nei Hu Rd. Nei Hu District, Taipei City 114, Taiwan
R.O.C. (7F, Conference Room, Chu Pao Building)

Meeting Agenda:

1. Report the number of shares represented by shareholders and their proxy holders attending the Meeting

2. Chairman's Address

3. Report Items

- (1) 2022 Business Report
- (2) Audit Committee's Review Report on the 2022 Financial Statements
- (3) Distribution of 2022 Employee Bonus and Directors Remuneration
- (4) 2022 Earnings Distribution and Cash Dividends Report

4. Proposed Resolutions

- (1) Adoption of 2022 Business Report and Financial Statements
- (2) To approve 2022 Earnings Distribution

5. Discussion and Director Election Items

- (1) To approve the Revision of Rules of Procedure for Shareholders' Meeting
- (2) To approve the Revision of Procedures for Acquisition or Disposal of Assets
- (3) To elect an additional Independent Director of the 8th term

6. Ad Hoc Motion

7. Adjournment

1. Report Items

(1) 2022 Business Report

Please refer to page p.6-p.7 of this agenda

(2) Audit Committee's Review Report on the 2022 Financial Statements

Please refer to page p.8 of this agenda

(3) Distribution of 2022 Employee Bonus and Directors Remuneration

The Board of Directors meeting on February 23, 2023 for distribution of 2022 employee bonus of NT\$49,365,000 and remuneration for directors of NT\$8,249,000, both distributed via cash.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, for the year ended December 31, 2022.

(4) 2022 Earnings Distribution and Cash Dividends Report

(4.1) The Company had passed the resolution of dividends and remunerations on February 23, 2023, cash dividend distribution totaled NT\$299,403,367 which is NT\$4.7 per share distributed from earnings. Cash dividend distribution were distributed up to one NT dollar, if the distribution is under one NT dollar, it will be accounted as other revenue.

(4.2) Cash dividend distribution record date will be decided by another Board meeting.

(4.3) If there is a change in the number of ordinary shares outside of the Company; or when there is a change in shareholders' dividend rate that requires revision, chairman of the Board will take full authority.

2. Proposed Resolutions

I. (Proposed by the Board of Directors)

Adoption of 2022 Business Report and Financial Statements

Explanation:

(1) 2022 Financial Statements of the Company were audited by Chi Lung Yu and Ming Fang Hsu of KPMG, and were issued an audit report.

(2) The 2022 Financial Statements and Business Report are reviewed by the Audit Committee and were issued a report.

(3) Attachments

1. 2022 Business Report (p.6-p.7)

2. Financial Statements (p.9-p.24)

Resolution:

II. (Proposed by the Board of Directors)

To approve 2022 Earnings Distribution

Explanation:

The Company's 2022 Earnings Distribution proposal was approved by the Board of Directors on February 23, 2023. The Audit Committee had audited the proposal and issued an Audit Committee's review report. Please refer to Enclosures on page 25 for the 2022 Earnings Distribution Table.

Resolution:

3. Discussion and Director Election Items

I. (Proposed by the Board of Directors)

To approve the Revision of Rules of Procedure for Shareholders' Meeting

Explanation:

In order to cope with the amendment and standardization of laws and regulations, Comparison Table on Revision of the Provisions of the Rules of Procedure for Shareholders' Meeting, Please refer to Enclosures on page 26 to 37.

Resolution:

II. (Proposed by the Board of Directors)

To approve the Revision of Procedures for Acquisition or Disposal of Assets

Explanation:

In order to cope with the amendment and standardization of laws and regulations, Comparison Table on Revision of the Provisions of the Rules of Procedure for Shareholders' Meeting, Please refer to Enclosures on page 38 to 108.

Resolution:

III. (Proposed by the Board of Directors)

To elect an additional Independent Director of the 8th term

Explanation:

- (1) In order to Corporate Governance, It was proposed to by-elect one seat of Independent Director at this Shareholders' Meeting. The tenure of the newly elected directors shall begin on June 7, 2023 and end on July 21, 2024.
- (2) According to Article 12-1 of the Company's Articles of Incorporation, the Independent director shall be nominated under the candidate nomination system, and be elected at Shareholders' Meeting among the nomination list in. Please refer to Enclosures on page 109 for the list of candidate and his education, experience and other related information.

Resolution:

4. Ad Hoc Motion

5. Adjournment

C. Enclosures

1. 2022 Business Report

eGalax_eMPIA Technology Inc.

Business Report

The inflation triggered by the Russo-Ukrainian War deeply impact the worldwide economy and market demand since 2022. eGalax_eMPIA Technology Inc.(EETI)has been focusing on touch sensor IC and controller board for a long time, actively researching and developing a new generation of high-performance touch control solution products, and providing competitive touch control system solutions. The following is a summary report to shareholders on the operating results of the past year and the summary of the business plan for the year 2023.

1. 2022 Business Report

The consolidated revenue of EETI in 2022 was NT\$1,418.99 million, a decrease of 12.15% compared to that in 2021; the consolidated research and development expenses were NT\$282.66 million, accounting for 19.92% of the consolidated revenue of the same year; the net profit after tax attributable to the parent company was NT\$326.13 million in 2022, and the basic earnings per share after tax was NT\$5.12, a decrease of 12.48% from NT\$5.85 in 2021.

EETI did not disclose its financial forecast in 2022, and therefore there is no need to disclose the budget implementation status. Please refer to the financial statements attached hereto for the relevant financial overview.

2. 2023 business plan summary

(1) Operating principles:

With the consistent spirit of “swift reliability, professional leadership, continuous growth, client-oriented approach, green environmentalism, and sustainable operations” as the business goal, we will adhere to the quality policy, think from the standpoint of clients, and provide high-quality products and technical services.

(2) Important production and marketing policies:

1) Product development:

Concentrated on projected capacitive touch control technology, we will develop a variety of peripheral products to meet the needs of clients in different industries, and simultaneously improve the processing performance of the core chip to be compatible with different peripheral products, so as to keep EETI’s leadership in industrial touch screen controller market.

2) Business marketing:

We will make good use of digital marketing tools, integrate existing cooperative partners, and establish more efficient cooperative relationships to strengthen the ability to respond to market changes. In addition, we will actively strive for business in potential markets, so as to enhance the Company's competitiveness in the market.

3. Future development strategies of the Company, as well as the impact of the external competitive environment, regulatory environment and overall business environment

In prospect of the year 2023, EETI will keep on focusing on value creation and strengthening on product deployment and R&D capacity, as well as keep on growing and thriving. We will also place importance on the sustainable development of the environment and society, and sustain the Company's high competitiveness in the global market.

In the future, we will continue to actively take growth opportunities and give back to all shareholders, employees, and the general public through practical action. We sincerely thank all shareholders for the trust and support to EETI. Finally, we wish all shareholders:

Sound health and good luck with everything.

Chairman: Jing Rong Tang **General Manager:** Jing Rong Tang **Chief Accounting Officer:** Paula Hung

2. Audit Committee's Review Report

eGalax_eMPIA Technology Inc. Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements and Proposal for Earning Distributions. The Financial Statements have been audited and certified by Chi Lung Yu CPA and Ming Fang Hsu CPA of KPMG and audit reports regarding the Financial Statements have been issued. The Business Report, Financial Statements and Proposal for Earning Distributions have been reviewed and determined to be correct and accurate by the Audit Committee of eGalax_eMPIA Technology Inc. In accordance to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby, submit this report.

eGalax_eMPIA's Annual General Shareholders' Meeting, 2023

Chairman of Audit Committee: Jim Wu

February 23, 2023

3. 2022 Independent Auditor’s report and Unconsolidated Financial Statements

Independent Auditors’ Report

To the Board of Directors of eGalax_eMPIA Technology Inc.:

Opinion

We have audited the financial statements of eGalax_eMPIA Technology Inc. (“the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(1) “Revenue recognition” to the parent company only financial statements for accounting policy related to recognition of revenue.

Description of key audit matter:

Sales revenue is a main indicator that shows whether eGalax_eMPIA Technology Inc. have achieved their operating, financial objectives and investors’ expectations. Therefore, revenue recognition has been indentified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

- Understanding the design and implementation of the Company's internal controls on revenue recognition and assessing whether the revenue recognition was performed in accordance with the Company's accounting policy.
- Testing the controls of sales and collection cycle relating to financial reporting.
- Analyzing the changes in sales revenue from top ten clients and comparing them with those of the same period in the previous year to confirm whether or not there are significant changes or irregular transactions exist.
- Performing sales cut-off of a period before and after the reporting date by vouching relevant documents of sales transactions to determine whether revenue has been recognized in the proper period.

2. Inventory valuation

Please refer to note 4(g) "Inventories" to the parent company only financial statements for accounting policy related to valuation of inventories.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. However, the market changes rapidly, it might result that inventories don't meet the needs of the market. The carrying value of inventories might have a risk to exceed its net realized value. Therefore, inventory valuation has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

- Viewing inventory aging reports to analyze inventory aging changes for each period.
- Assessing whether valuation policy for inventory loss or obsolescence and inventory valuation were performed in accordance with the Company's policy.
- Assessing the adequacy of the Company's disclosure for inventories.

3. Valuation of account receivable

Please refer to Note 4(f)(i)(4) "impairment of financial assets" to the parent company only financial statements for accounting policy related to valuation of account receivable.

Description of key audit matter:

The accounts receivable is highly related to the operations of eGalax_eMPIA Technology Inc., the customers are subject to changes in market demand. The provision of bad debt allowance is estimated by the management based on the historical experience and tailored according to customer. Due to the assessment of the provision of bad debt allowance that is subject the management's judgement. Therefore, the valuation of accounts receivable has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

- Assessing the provision policy for accounts receivable impairment and whether valuation of accounts receivable was performed in accordance with the Company's policy.
- Examining the aging analysis table and checking the amount of receivables received after the balance date, as well as discussing with the management to assess whether or not the provision is reasonable.
- Assessing the adequacy of the Company's disclosure for bad debt allowance.

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 for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 professional skepticism throughout the audit. We also:

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Chi-Lung and Hsu, Ming-Fang.

KPMG

Taipei, Taiwan (Republic of China)
February 23, 2023

(English Translation of Parent Company Only Financial Statements and Originally Issued in Chinese)
eGalax_eMPIA Technology Inc.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a)(q))	\$ 355,657	21	626,405	37	2130	Current contract liabilities (Note 6(o))	\$ 2,473	-	3,673	-
1110	Current financial assets at fair value through profit or loss (Note 6(b)(q))	176,443	11	217,772	13	2170	Accounts payable (Note 6(q))	126,639	8	138,944	8
1136	Current financial at amortized cost (Note 6(c)(q))	-	-	50,000	3	2219	Other payable-other (Note 6(q))	155,747	9	182,194	11
1150	Notes receivable, net (Note 6(d)(o)(q))	2,392	-	1,243	-	2230	Current tax liabilities	12,801	1	39,526	2
1170	Accounts receivable, net (Note 6(d)(o)(q))	90,770	5	148,498	9	2251	Current provisions for employee benefits (Note 6(k))	7,131	-	7,551	-
1180	Accounts receivable-related parties, net (Note 6(d)(o)(q) and 7)	30,536	2	75,429	4	2280	Current lease liabilities (Note 6(j)(q))	9,127	1	15,590	1
1200	Other receivables (Note 6(e)(q))	1,150	-	553	-	2399	Other current liabilities, others	980	-	913	-
130X	Inventories (Note 6(f))	704,476	43	388,163	23		Total Current liabilities	314,898	19	388,391	22
1410	Prepayments	11,092	1	1,934	-		Non-Current liabilities:				
1470	Other current assets (Note 8)	1,200	-	1,189	-	2570	Deferred tax liabilities (Note 6(l))	104	-	5	-
	Total current assets	1,373,716	83	1,511,186	89	2580	Non-current lease liabilities (Note 6(j)(q))	647	-	9,775	1
	Non-current assets:					2640	Net defined benefit liabilities, non-current (Note 6(k))	6,084	1	9,427	1
1535	Non-current financial assets at amortized cost (Note 6(c)(q))	100,000	6	-	-	2650	Credit balance of investments accounted for using equity method (Note 6(g))	1,194	-	1,142	-
1551	Investments accounted for using equity method (Note 6(g))	130,122	8	127,868	8		Total non-current liabilities	8,029	1	20,349	2
1600	Property, plant and equipment (Note 6(h))	2,536	-	3,507	-		Total liabilities	322,927	20	408,740	24
1755	Right-of-use assets (Note 6(i))	9,638	1	25,106	1		Equity (Note 6(m)):				
1840	Deferred tax assets (Note 6(l))	5,303	-	6,900	-	3110	Ordinary share	637,029	39	612,528	36
1920	Refundable deposits (Note 9)	15,354	1	20,765	1		Capital surplus:				
1990	Other non-current assets, others	8,917	1	11,891	1	3235	Capital Surplus, changes in ownership interests in subsidiaries	5,214	-	5,214	-
	Total non-current assets	271,870	17	196,037	11	3270	Capital surplus, net assets from merger	14,114	1	14,114	1
						3280	Capital surplus, others	514	-	514	-
								19,842	1	19,842	1
							Retained earnings:				
						3310	Legal reserve	329,545	20	292,364	17
						3320	Special reserve	1,847	-	1,639	-
						3350	Unappropriated retained earnings	334,815	20	373,957	22
								666,207	40	667,960	39
							Other equity:				
						3410	Exchange differences on translation of foreign financial statements	(419)	-	(1,847)	-
							Total equity	1,322,659	80	1,298,483	76
							Total liabilities and equity	\$ 1,645,586	100	1,707,223	100
	Total assets	\$ 1,645,586	100	1,707,223	100						

See accompanying notes to parent company only financial statements.

Chairman : Jing Rong Tang

General Manger : Jing Rong Tang

Chief Accounting Officer : Paula Hung

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
eGalax_eMPIA Technology Inc.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4110	Operating revenue	\$ 1,294,552	101	1,464,628	100
4170	Less: Sales returns	13,842	1	2,226	-
4190	Sales discounts and allowances	349	-	14	-
	Operating revenue, net (Note 6(o) and 7)	<u>1,280,361</u>	<u>100</u>	<u>1,462,388</u>	<u>100</u>
5110	Operating costs (Note 6(f)(k)(p) and 12)	<u>578,484</u>	<u>45</u>	<u>686,693</u>	<u>47</u>
	Gross profit from operations	<u>701,877</u>	<u>55</u>	<u>775,695</u>	<u>53</u>
	Operating expenses (Note 6(h)(i)(j)(k)(p) and 12):				
6100	Selling expenses	47,612	4	51,092	3
6200	Administrative expenses	50,689	4	52,855	4
6300	Research and development expenses	223,811	17	239,093	16
6450	Expected credit loss (Note 6(d))	442	-	-	-
	Total operating expenses	<u>322,554</u>	<u>25</u>	<u>343,040</u>	<u>23</u>
6900	Net operating income	<u>379,323</u>	<u>30</u>	<u>432,655</u>	<u>30</u>
	Non-operating income and expenses:				
7100	Interest income	3,729	-	2,469	-
7010	Other income	2,255	-	2,604	-
7020	Other gains and losses, net (Note 6(q))	(4,774)	-	1,322	-
7050	Finance costs (Note 6(j))	(122)	-	(230)	-
7070	Share of profit of subsidiaries accounted for using equity method	774	-	644	-
	Total non-operating income and expenses	<u>1,862</u>	<u>-</u>	<u>6,809</u>	<u>-</u>
7900	Profit before tax	381,185	30	439,464	30
7950	Less: Income tax expenses (Note 6(l))	<u>55,053</u>	<u>4</u>	<u>66,975</u>	<u>5</u>
	Profit	<u>326,132</u>	<u>26</u>	<u>372,489</u>	<u>25</u>
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(k))	2,880	-	(681)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	<u>2,880</u>	<u>-</u>	<u>(681)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements (Note 6(m))	1,428	-	(208)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that will be reclassified to profit or loss	<u>1,428</u>	<u>-</u>	<u>(208)</u>	<u>-</u>
8300	Other comprehensive income (net of tax)	<u>4,308</u>	<u>-</u>	<u>(889)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 330,440</u>	<u>26</u>	<u>371,600</u>	<u>25</u>
	Earnings per share (Note 6(n))				
9750	Basic earnings per share (NT Dollar)	<u>\$ 5.12</u>		<u>5.85</u>	
9850	Diluted earnings per share (NT Dollar)	<u>\$ 5.04</u>		<u>5.77</u>	

See accompanying notes to parent company only financial statements.

Chairman : Jing Rong Tang

General Manger : Jing Rong Tang

Chief Accounting Officer : Paula Hung

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
eGalax_eMPIA Technology Inc.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	
Balance at January 1, 2021	\$ 594,687	19,842	269,428	976	230,915	(1,639)	1,114,209
Profit	-	-	-	-	372,489	-	372,489
Other comprehensive income	-	-	-	-	(681)	(208)	(889)
Total comprehensive income	-	-	-	-	371,808	(208)	371,600
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	22,936	-	(22,936)	-	-
Special reserve	-	-	-	663	(663)	-	-
Cash dividends on ordinary shares	-	-	-	-	(187,326)	-	(187,326)
Stock dividends on ordinary shares	17,841	-	-	-	(17,841)	-	-
Balance at December 31, 2021	612,528	19,842	292,364	1,639	373,957	(1,847)	1,298,483
Profit	-	-	-	-	326,132	-	326,132
Other comprehensive income	-	-	-	-	2,880	1,428	4,308
Total comprehensive income	-	-	-	-	329,012	1,428	330,440
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	37,181	-	(37,181)	-	-
Special reserve	-	-	-	208	(208)	-	-
Cash dividends on ordinary shares	-	-	-	-	(306,264)	-	(306,264)
Stock dividends on ordinary shares	24,501	-	-	-	(24,501)	-	-
Balance at December 31, 2022	\$ 637,029	19,842	329,545	1,847	334,815	(419)	1,322,659

See accompanying notes to parent company only financial statements.

Chairman : Jing Rong Tang

General Manger : Jing Rong Tang

Chief Accounting Officer : Paula Hung

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
eGalax_eMPIA Technology Inc.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Profit before tax	\$ 381,185	439,464
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	17,611	18,568
Amortization expense	15,610	16,677
Expected credit loss	442	-
Net loss on financial assets at fair value through profit or loss	7,641	66
Interest expense	122	230
Interest income	(3,729)	(2,469)
Dividend income	(421)	(490)
Share of profit of subsidiaries accounted for using equity method	(774)	(644)
Total adjustments to reconcile profit (loss)	<u>36,502</u>	<u>31,938</u>
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	33,688	(45,801)
Notes receivable	(1,149)	(409)
Accounts receivable	57,286	(46,991)
Accounts receivable-related parties	44,893	(28,481)
Other receivables	(15)	(40)
Inventories	(316,313)	(32,316)
Prepayments	(9,158)	103
Other current assets	(11)	(20)
Current contract liabilities	(1,200)	208
Accounts payable	(12,305)	30,892
Other payable-other	(24,141)	59,177
Current provisions for employee benefits	(420)	974
Other current liabilities, others	67	(174)
Net defined benefit liabilities, non-current	(463)	(457)
Total changes in operating assets and liabilities	<u>(229,241)</u>	<u>(63,335)</u>
Total adjustments	<u>(192,739)</u>	<u>(31,397)</u>
Cash inflow generated from operations	188,446	408,067
Interest received	3,147	2,465
Dividends received	421	490
Interest paid	(122)	(230)
Income taxes paid	(80,082)	(38,681)
Net cash flows from operating activities	<u>111,810</u>	<u>372,111</u>
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(100,000)	-
Proceeds from repayments of financial assets at amortized cost	50,000	25,000
Acquisition of property, plant and equipment	(1,172)	(561)
Refundable deposits	5,411	(17,073)
Other non-current assets	(14,942)	(11,735)
Net cash flows used in investing activities	<u>(60,703)</u>	<u>(4,369)</u>
Cash flows used in financing activities:		
Payment of lease liabilities	(15,591)	(15,443)
Cash dividends paid	(306,264)	(187,326)
Net cash flows used in financing activities	<u>(321,855)</u>	<u>(202,769)</u>
Net (decrease) increase in cash and cash equivalents	<u>(270,748)</u>	<u>164,973</u>
Cash and cash equivalents at beginning of period	<u>626,405</u>	<u>461,432</u>
Cash and cash equivalents at end of period	<u>\$ 355,657</u>	<u>626,405</u>

See accompanying notes to parent company only financial statements.

Chairman : Jing Rong Tang

General Manger : Jing Rong Tang

Chief Accounting Officer : Paula Hung

4. 2022 Independent Auditor’s report and Consolidated Financial Statements

Independent Auditors’ Report

To the Board of Directors of eGalax_eMPIA Technology Inc.:

Opinion

We have audited the consolidated financial statements of eGalax_eMPIA Technology Inc. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of 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 of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

Please refer to Note 4(m) “Revenue recognition” to the consolidated financial statements for accounting policy related to recognition of revenue.

Description of key audit matter:

Sales revenue is a main indicator that shows whether the Group, have achieved their operating, financial objectives and investors’ expectations. Therefore, revenue recognition has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

- Understanding the design and implementation of the Group's internal controls on revenue recognition and assessing whether the revenue recognition was performed in accordance with the Group's accounting policy.
- Testing the controls of sales and collection cycle relating to financial reporting.
- Analyzing the changes in sales revenue from top ten clients and comparing them with those of the same period in the previous year to confirm whether or not there are significant changes or irregular transactions exist.
- Performing sales cut-off of a period before and after the reporting date by vouching relevant documents of sales transactions to determine whether revenue has been recognized in the proper period.

2. Inventory valuation

Please refer to note 4(h) "Inventories" to the consolidated financial statements for accounting policy related to valuation of inventories.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value in the financial statements. However, the market changes rapidly, it might result that inventories don't meet the needs of the market. The carrying value of inventories might have a risk to exceed its net realized value. Therefore, inventory valuation has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

Our principal audit procedures in relation to the above key audit matter included:

- Viewing inventory aging reports to analyze inventory aging changes for each period.
- Assessing whether valuation policy for inventory loss or obsolescence and inventory valuation were performed in accordance with the Group's policy.
- Assessing the adequacy of the Group's disclosure for inventories.

3. Valuation of account receivable

Please refer to Note 4(g)(i)(4) "impairment of financial assets" to the consolidated financial statements for accounting policy related to valuation of account receivable..

Description of key audit matter:

The accounts receivable is highly related to the operations of the Group, the customers are subject to changes in market demand. The provision of bad debt allowance is estimated by the management based on the historical experience and tailored according to customer. Due to the assessment of the provision of bad debt allowance that is subject the management's judgement. Therefore, the valuation of accounts receivable has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures in relation to the above key audit matter included:

- Assessing the provision policy for accounts receivable impairment and whether valuation of accounts receivables was performed in accordance with the Group's policy.
- Examining the aging analysis table and checking the amount of receivables received after the balance date, as well as discussing with the management to assess whether or not the provision is reasonable.
- Assessing the adequacy of the Group's disclosure for bad debt allowance.

Other Matter

eGalax_eMPIA Technology Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated financial statements.

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yu, Chi-Lung and Hsu, Ming-Fang.

KPMG

Taipei, Taiwan (Republic of China)
February 23, 2023

(English Translation of Consolidated Financial Statements and Originally Issued in Chinese)
eGalax_eMPIA Technology Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>		<u>December 31, 2021</u>	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a)(q))	\$ 521,000	30	760,452	41	2130	Current contract liabilities (Note 6(o))	\$ 7,018	1	10,204	1
1110	Current financial assets at fair value through profit or loss (Note 6(b)(q))	198,440	11	239,636	13	2170	Accounts payable (Note 6(q))	129,662	7	157,531	9
1136	Current financial assets at amortized cost (Note 6(c)(q))	-	-	50,000	3	2219	Other payable-other (Note 6(q))	182,449	10	199,622	11
1150	Notes receivable, net (Note 6(d)(o)(q))	2,392	-	1,992	-	2230	Current tax liabilities	14,015	1	39,875	2
1170	Accounts receivable, net (Note 6(d)(o)(q))	104,069	6	178,491	10	2251	Current provisions for employee benefits (Note 6(k))	7,131	1	7,551	-
1180	Accounts receivable-related parties, net (Note 6(d)(o)(q) and 7)	30,536	2	75,429	4	2280	Current lease liabilities (Note 6(j)(q))	11,991	1	19,015	1
1200	Other receivables (Note 6(e)(q))	1,852	-	737	-	2399	Other current liabilities, others	3,287	-	3,118	-
1220	Current tax assets	-	-	618	-		Total current liabilities	<u>355,553</u>	<u>21</u>	<u>436,916</u>	<u>24</u>
130X	Inventories (Note 6(f))	716,524	41	417,355	23		Non-Current liabilities:				
1410	Prepayments	20,280	1	16,945	1	2570	Deferred tax liabilities (Note 6(l))	521	-	5	-
1470	Other current assets (Note 8)	1,213	-	1,189	-	2580	Non-current lease liabilities (Note 6(j)(q))	3,766	-	14,077	1
	Total current assets	<u>1,596,306</u>	<u>91</u>	<u>1,742,844</u>	<u>95</u>	2640	Net defined benefit liability, non-current (Note 6(k))	6,084	-	9,427	-
	Non-current assets:						Total non-current liabilities	<u>10,371</u>	<u>-</u>	<u>23,509</u>	<u>1</u>
1535	Non-current financial assets at amortized cost (Note 6(c)(q))	100,000	5	-	-		Total liabilities	<u>365,924</u>	<u>21</u>	<u>460,425</u>	<u>25</u>
1600	Property, plant and equipment (Note 6(g))	2,982	-	4,768	-		Equity attributable to owners of parent (Note 6(m)):				
1755	Right-of-use assets (Note 6(h))	15,590	1	32,801	2	3110	Ordinary share	637,029	36	612,528	34
1780	Intangible assets (Note 6(i))	5	-	5	-		Capital surplus:				
1840	Deferred tax assets (Note 6(l))	12,287	1	12,419	1	3235	Capital Surplus, changes in ownership interests in subsidiaries	5,214	-	5,214	-
1920	Refundable deposits (Note 9)	15,867	1	22,124	1	3270	Capital surplus, net assets from merger	14,114	1	14,114	1
1990	Other non-current assets, others	14,674	1	11,906	1	3280	Capital surplus, others	514	-	514	-
	Total non-current assets	<u>161,405</u>	<u>9</u>	<u>84,023</u>	<u>5</u>			<u>19,842</u>	<u>1</u>	<u>19,842</u>	<u>1</u>
	Total assets	<u>\$ 1,757,711</u>	<u>100</u>	<u>1,826,867</u>	<u>100</u>		Retained earnings:				
						3310	Legal reserve	329,545	19	292,364	16
						3320	Special reserve	1,847	-	1,639	-
						3350	Unappropriated retained earnings	334,815	19	373,957	20
								<u>666,207</u>	<u>38</u>	<u>667,960</u>	<u>36</u>
							Other equity:				
						3410	Exchange differences on translation of foreign financial statements	(419)	-	(1,847)	-
							Total equity attributable to owners of parent	<u>1,322,659</u>	<u>75</u>	<u>1,298,483</u>	<u>71</u>
						36XX	Non-controlling interests	69,128	4	67,959	4
							Total equity	<u>1,391,787</u>	<u>79</u>	<u>1,366,442</u>	<u>75</u>
							Total liabilities and equity	<u>\$ 1,757,711</u>	<u>100</u>	<u>1,826,867</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

Chairman : Jing Rong Tang

General Manger : Jing Rong Tang

Chief Accounting Officer : Paula Hung

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
eGalax_eMPIA Technology Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		<u>2022</u>		<u>2021</u>	
		Amount	%	Amount	%
4110	Operating revenue	\$ 1,433,513	101	1,618,117	100
4170	Less: Sales returns	14,174	1	2,386	-
4190	Sales discounts and allowances	349	-	465	-
	Operating revenue, net (Note 6(o), 7 and 14)	<u>1,418,990</u>	<u>100</u>	<u>1,615,266</u>	<u>100</u>
5110	Operating costs (Note 6(f)(k)(p) and 12)	<u>653,085</u>	<u>46</u>	<u>771,501</u>	<u>48</u>
	Gross profit from operations	<u>765,905</u>	<u>54</u>	<u>843,765</u>	<u>52</u>
	Operating expenses (Note 6(g)(h)(i)(j)(k)(p) and 12):				
6100	Selling expenses	60,163	4	61,054	4
6200	Administrative expenses	53,810	4	65,887	4
6300	Research and development expenses	282,655	20	281,580	17
6450	Expected credit loss (Note 6(d))	442	-	-	-
	Total operating expenses	<u>397,070</u>	<u>28</u>	<u>408,521</u>	<u>25</u>
	Net operating income	<u>368,835</u>	<u>26</u>	<u>435,244</u>	<u>27</u>
	Non-operating income and expenses:				
7100	Interest income	4,941	-	2,973	-
7010	Other income	3,304	-	3,412	-
7020	Other gains and losses, net	5,072	1	(1,694)	-
7050	Finance costs (Note 6(j))	(154)	-	(275)	-
	Total non-operating income and expenses	<u>13,163</u>	<u>1</u>	<u>4,416</u>	<u>-</u>
7900	Profit before tax	<u>381,998</u>	<u>27</u>	<u>439,660</u>	<u>27</u>
7950	Less: Income tax expenses (Note 6(l))	<u>55,448</u>	<u>4</u>	<u>66,826</u>	<u>4</u>
	Profit	<u>326,550</u>	<u>23</u>	<u>372,834</u>	<u>23</u>
8300	Other comprehensive income (loss):				
8310	Items that may not be reclassified subsequently to profit or loss:				
8311	Gains (losses) on remeasurements of defined benefit plans	2,880	-	(681)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that will not be reclassified to profit or loss	<u>2,880</u>	<u>-</u>	<u>(681)</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	2,179	-	(260)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that will be reclassified to profit or loss	<u>2,179</u>	<u>-</u>	<u>(260)</u>	<u>-</u>
8300	Other comprehensive income	<u>5,059</u>	<u>-</u>	<u>(941)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 331,609</u>	<u>23</u>	<u>371,893</u>	<u>23</u>
	Profit attributable to:				
8610	Owners of parent	\$ 326,132	23	372,489	23
8620	Non-controlling interests	418	-	345	-
		<u>\$ 326,550</u>	<u>23</u>	<u>372,834</u>	<u>23</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 330,440	23	371,600	23
8720	Non-controlling interests	1,169	-	293	-
		<u>\$ 331,609</u>	<u>23</u>	<u>371,893</u>	<u>23</u>
	Earnings per share (Note 6(n))				
9750	Basic earnings per share (NT Dollar)	<u>\$ 5.12</u>		<u>5.85</u>	
9850	Diluted earnings per share (NT Dollar)	<u>\$ 5.04</u>		<u>5.77</u>	

See accompanying notes to consolidated financial statements.

Chairman : Jing Rong Tang

General Manger : Jing Rong Tang

Chief Accounting Officer : Paula Hung

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

eGalax_eMPIA Technology Inc. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent								
	Retained earnings					Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					
Balance at January 1, 2021	\$ 594,687	19,842	269,428	976	230,915	(1,639)	1,114,209	67,666	1,181,875
Profit	-	-	-	-	372,489	-	372,489	345	372,834
Other comprehensive income	-	-	-	-	(681)	(208)	(889)	(52)	(941)
Total comprehensive income	-	-	-	-	371,808	(208)	371,600	293	371,893
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	22,936	-	(22,936)	-	-	-	-
Special reserve	-	-	-	663	(663)	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(187,326)	-	(187,326)	-	(187,326)
Stock dividends on ordinary shares	17,841	-	-	-	(17,841)	-	-	-	-
Balance at December 31, 2021	612,528	19,842	292,364	1,639	373,957	(1,847)	1,298,483	67,959	1,366,442
Profit	-	-	-	-	326,132	-	326,132	418	326,550
Other comprehensive income	-	-	-	-	2,880	1,428	4,308	751	5,059
Total comprehensive income	-	-	-	-	329,012	1,428	330,440	1,169	331,609
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	37,181	-	(37,181)	-	-	-	-
Special reserve	-	-	-	208	(208)	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(306,264)	-	(306,264)	-	(306,264)
Stock dividends on ordinary shares	24,501	-	-	-	(24,501)	-	-	-	-
Balance at December 31, 2022	\$ 637,029	19,842	329,545	1,847	334,815	(419)	1,322,659	69,128	1,391,787

See accompanying notes to consolidated financial statements.

Chairman : Jing Rong Tang

General Manger : Jing Rong Tang

Chief Accounting Officer : Paula Hung

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
eGalax_eMPIA Technology Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Profit before tax	\$ 381,998	439,660
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	22,137	23,099
Amortization expense	16,456	17,916
Expected credit loss	442	-
Net loss on financial assets at fair value through profit or loss	7,508	16
Interest expense	154	275
Interest income	(4,941)	(2,973)
Dividend income	(421)	(490)
Total adjustments to reconcile profit (loss)	<u>41,335</u>	<u>37,843</u>
Changes in operating assets and liabilities:		
Financial assets or liabilities at fair value through profit or loss	33,688	(45,801)
Notes receivable	(400)	(677)
Accounts receivable	73,980	(45,074)
Accounts receivable-related parties	44,893	(27,890)
Other receivables	(125)	(40)
Inventories	(299,169)	(47,586)
Prepayments	(8,787)	(2,989)
Other current assets	(24)	(20)
Current contract liabilities	(3,186)	2,423
Accounts payable	(27,869)	29,783
Other payable-other	(14,867)	52,315
Current provisions for employee benefits	(420)	974
Other current liabilities, others	169	(417)
Net defined benefit liability, non-current	(463)	(457)
Total changes in operating assets and liabilities	<u>(202,580)</u>	<u>(85,456)</u>
Total adjustments	<u>(161,245)</u>	<u>(47,613)</u>
Cash inflow generated from operations	220,753	392,047
Interest received	3,951	3,016
Dividends received	421	490
Interest paid	(154)	(275)
Income taxes paid	(80,042)	(38,875)
Net cash flows from operating activities	<u>144,929</u>	<u>356,403</u>
Cash flows used in investing activities:		
Acquisition of financial assets at amortized cost	(100,000)	-
Proceeds from repayments of financial assets at amortized cost	50,000	25,000
Acquisition of property, plant and equipment	(1,213)	(810)
Refundable deposits	6,257	(17,072)
Other non-current assets	(16,078)	(14,141)
Net cash flows used in investing activities	<u>(61,034)</u>	<u>(7,023)</u>
Cash flows used in financing activities:		
Payment of lease liabilities	(19,254)	(19,093)
Cash dividends paid	(306,264)	(187,326)
Net cash flows used in financing activities	<u>(325,518)</u>	<u>(206,419)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>2,171</u>	<u>(260)</u>
Net (decrease) increase in cash and cash equivalents	(239,452)	142,701
Cash and cash equivalents at beginning of period	760,452	617,751
Cash and cash equivalents at end of period	<u>\$ 521,000</u>	<u>760,452</u>

See accompanying notes to consolidated financial statements.

Chairman : Jing Rong Tang

General Manager : Jing Rong Tang

Chief Accounting Officer : Paula Hung

5. 2022 Earnings Distribution Table

eGalax_eMPIA Technology Inc.
2022 Earnings Distribution Table

Unit: NT\$

Item	Total Amount
Net Income of 2022	326,131,652
Plus: Remeasurements of defined benefit plans	2,880,657
2022 Unappropriated retained earnings	329,012,309
Less: Legal Reserve	(32,901,231)
Plus: Special Reserve	1,427,799
Retained earnings in 2022 available for distribution	297,538,877
Plus: Beginning unappropriated retained earnings	5,802,615
Total unappropriated retained earnings	303,341,492
Less: Distribution Item	
Cash Dividends	299,403,367
Ending unappropriated retained earnings	3,938,125

Chairman: Jing Rong Tang **General Manager:** Jing Rong Tang **Chief Accounting Officer:** Paula Hung

6. Comparison Table on Revision of the Provisions of the Rules of Procedure for Shareholders’ Meeting

Comparison Table on Revision of the Provisions of the Rules of Procedure for Shareholders’ Meeting

Revised provisions	Current provisions	Explanations
<p>Article 3 (Convening of the Shareholders’ Meeting and the meeting notice) Paragraph 1 (Omitted) <u>Changes in the method of convening the Shareholders’ Meeting of the Company shall be resolved by the Board of Directors, and such changes shall be made at the latest before the notice of the Shareholders’ Meeting is sent out.</u> Hereinafter omitted.</p>	<p>Article 3 (Convening of the Shareholders’ Meeting and the meeting notice) Paragraph 1 (Omitted) Hereinafter omitted.</p>	<p>Paragraph 2 is added in response to the regulatory amendments, and the numbering of the original Paragraph 2 and other paragraphs thereafter is adjusted accordingly.</p>
<p>Article 4 (Attendance at Shareholders’ Meeting by proxy and authorization) Paragraphs 1–3 (Omitted) <u>If, after a proxy is delivered to the Company, a shareholder intends to attend the Shareholders’ Meeting via video conferencing, a proxy revocation shall be delivered in writing to the Company two days prior to the Shareholders’ Meeting date. In the event that the proxy revocation is delivered after the deadline, votes cast at the meeting by the proxy shall prevail.</u></p>	<p>Article 4 (Attendance at Shareholders’ Meeting by proxy and authorization) Paragraphs 1–3 (Omitted)</p>	<p>Paragraph 4 is added in response to the regulatory amendments.</p>
<p>Article 5 (Principles for the venue and time of the Shareholders’ Meeting) Paragraph 1 (Omitted) <u>The restrictions on meeting venue shall not apply when the Company holds the Shareholders’ Meeting via video conferencing.</u></p>	<p>Article 5 (Principles for the venue and time of the Shareholders’ Meeting) Paragraph 1 (Omitted)</p>	<p>Paragraph 2 is added in response to regulatory amendments related to Shareholders’ Meetings held via video conferencing.</p>
<p>Article 6 (Preparation of signature book and other</p>	<p>Article 6 (Preparation of signature book</p>	<p>Paragraphs 5 and 6 are</p>

Revised provisions	Current provisions	Explanations
<p>documents) Paragraphs 1–4 (Omitted) <u>Where the Shareholders’ Meeting is held via video conferencing, a shareholder intending to attend the meeting via video conferencing shall register with the Company prior to the Shareholders’ Meeting date.</u> <u>Where the Shareholders’ Meeting is held via video conferencing, the Company shall upload the meeting handbook, annual report, and other related meeting materials on the virtual meeting platform at least 30 minutes prior to the start of the meeting, and shall continue such disclosure until the end of the meeting.</u></p>	<p>and other documents) Paragraphs 1–4 (Omitted)</p>	<p>added in response to regulatory amendments related to Shareholders’ Meetings held via video conferencing.</p>
<p><u>Article 6-1 (Convening virtual Shareholders’ Meetings and items to be included in the meeting notice)</u> <u>To convene a virtual Shareholders’ Meeting, the Company shall include the following items in the Shareholders’ Meeting notice:</u></p> <ol style="list-style-type: none"> <li data-bbox="194 1167 724 1285">1. <u>The methods by which shareholders shall attend the virtual meeting and exercise their rights.</u> <li data-bbox="194 1294 724 1541">2. <u>The handling methods if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events. This shall include, at a minimum:</u> <ol style="list-style-type: none"> <li data-bbox="284 1550 724 1877">(1)<u>If the above obstruction continues and cannot be removed, the time to which the meeting must be postponed or from what time the meeting will be resumed as well as the date to which the meeting is postponed or on which the meeting will be resumed.</u> <li data-bbox="284 1886 724 2004">(2)<u>Shareholders not having registered to attend the affected virtual Shareholders’ Meeting</u> 		<p>This article is added related to the Shareholders’ Meetings held via video conferencing.</p>

Revised provisions	Current provisions	Explanations
<p><u>shall not attend the postponed or resumed session.</u></p> <p>(3) <u>In the event of a hybrid Shareholders' Meeting, when the virtual meeting cannot be continued and the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual Shareholders' Meeting, still meets the statutory quorum requirements for a shareholder meeting, the Shareholders' Meeting shall continue. The shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by shareholders present at the meeting, while shareholders attending the virtual meeting shall be deemed to have waived the voting right on all proposals on the meeting agenda of that Shareholders' Meeting.</u></p> <p>(4) <u>The handling method when the outcome of all proposals has been announced but extempore motions are not processed.</u></p> <p>3. <u>To convene a virtual Shareholders' Meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting shall be specified.</u></p>		
<p>Article 8 (Documentation of a Shareholders' Meeting via audio or video)</p> <p>Paragraph 1 (Omitted)</p> <p><u>Where a Shareholders' Meeting is held via video conferencing, the Company shall keep records of the shareholder</u></p>	<p>Article 8 (Documentation of a Shareholders' Meeting via audio or video)</p> <p>Paragraph 1 (Omitted)</p>	<p>Paragraphs 2, 3 and 4 are added in response to regulatory amendments related to</p>

Revised provisions	Current provisions	Explanations
<p><u>registration, sign-in, attendance, questions raised, votes cast, the results of votes counted, and other information, and make continuous, uninterrupted audio and video recordings of the entire virtual meeting proceedings.</u></p> <p><u>The information and audio and video recordings in the preceding paragraph shall be properly preserved by the Company during the period of its existence, and the copies of such audio and video recordings shall be provided to the party appointed to handle matters of the virtual meeting for safekeeping.</u></p> <p><u>When a virtual Shareholders' Meeting is held, it is advisable that the Company make audio and video recordings of the virtual meeting platform's back-end operations interface.</u></p>		<p>Shareholders' Meetings held via video conferencing.</p>
<p>Article 9 (Calculating the number of shares in attendance at the Shareholders' Meeting and meeting in progress)</p> <p>The shareholder attendance at the Shareholders' Meeting shall be calculated on the basis of shares. The number of shares in attendance shall be calculated based on the shares indicated in the signature book and the sign-in cards handed in, <u>as well as the shares represented by the shareholders having signed in on the virtual meeting platform</u>, plus the number of shares with the voting rights exercised via correspondence or electronic means.</p> <p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting, etc. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce</p>	<p>Article 9 (Calculating the number of shares in attendance at the Shareholders' Meeting and meeting in progress)</p> <p>The shareholder attendance at the Shareholders' Meeting shall be calculated on the basis of shares. The number of shares in attendance shall be calculated based on the shares indicated in the signature book and the sign-in cards handed in, plus the number of shares with the voting rights exercised via correspondence or electronic means.</p> <p>The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting, etc. However, when the</p>	<p>This article is revised to add provisions relating to Shareholders' Meetings held via video conferencing.</p>

Revised provisions	Current provisions	Explanations
<p>a postponement of the meeting, provided that no more than two such postponements shall be allowed and the total delay thereby shall not exceed one hour. If there is still not a quorum after two such postponements and the attending shareholders represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned due to lack of quorum; <u>where a virtual Shareholders' Meeting is held, the Company shall also declare the meeting adjourned if there is a lack of quorum on the virtual meeting platform.</u></p> <p>If there is still not a quorum 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; and all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month; <u>where a virtual Shareholders' Meeting is held, a shareholder intending to attend the meeting via video conferencing shall re-register with the Company in accordance with Article 6.</u> Hereinafter omitted.</p>	<p>attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement of the meeting, provided that no more than two such postponements shall be allowed and the total delay thereby shall not exceed one hour. If there is still not a quorum after two such postponements and the attending shareholders represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned due to lack of quorum.</p> <p>If there is still not a quorum 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; and all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month.</p> <p>Hereinafter omitted.</p>	
<p>Article 11 (Speeches by shareholders) Paragraphs 1–6 (Omitted) <u>Where a virtual Shareholders' Meeting is held, a shareholder attending the virtual meeting may raise questions by text to be posted on the virtual meeting platform, beginning with the time when the chair has declared the start of the meeting, and lasting until the chair declares the meeting adjourned. No more than two attempts may be made to raise questions for the same proposal.</u></p>	<p>Article 11 (Speeches by shareholders) Paragraphs 1–6 (Omitted)</p>	<p>Paragraphs 7 and 8 are added in response to regulatory amendments related to Shareholders' Meetings held via video conferencing.</p>

Revised provisions	Current provisions	Explanations
<p><u>Each question shall contain no more than 200 words. The provisions in Paragraphs 1 to 5 shall not apply. As long as the questions so raised in the preceding paragraph are not in violation of the regulations or not beyond the scope of a proposal under discussion, it is advisable that such questions be disclosed to the public on the virtual meeting platform.</u></p>		
<p>Article 13 (Voting on agenda items, vote scrutiny, and vote counting methods) Paragraphs 1–3 (Omitted) After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders’ Meeting <u>in person or via video conferencing</u>, a declaration of intent to revoke the exercise of voting rights already carried out under the preceding paragraph shall be made known to the Company by the same means as that for exercising the voting rights no later than two days prior to the date of the Shareholders’ Meeting. If the declaration of revocation is submitted after the foregoing deadline, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights by correspondence or electronic means but has at the same time appointed a proxy to attend the Shareholders’ Meeting, the voting rights exercised by the proxy at the meeting shall prevail. Paragraphs 5–8 (Omitted) <u>The voting at the Shareholders’ Meeting and the vote counting operations for elections and proposals shall be conducted in a public space within the Shareholders’ Meeting venue. In addition, the results of the voting,</u></p>	<p>Article 13 (Voting on agenda items, vote scrutiny, and vote counting methods) Paragraphs 1–3 (Omitted) After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders’ Meeting in person, a declaration of intent to revoke the exercise of voting rights already carried out under the preceding paragraph shall be made known to the Company by the same means as that for exercising the voting rights no later than two days prior to the date of the Shareholders’ Meeting. If the declaration of revocation is submitted after the foregoing deadline, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights by correspondence or electronic means but has at the same time appointed a proxy to attend the Shareholders’ Meeting, the voting rights exercised by the proxy at the meeting shall prevail. Paragraphs 5–8 (Omitted) The vote counting shall be conducted in public, within the</p>	<p>This article is revised to add the provisions relating to the Shareholders’ Meetings held via video conferencing.</p>

Revised provisions	Current provisions	Explanations
<p><u>including statistical tallies of the numbers of votes, shall be announced on-site at the meeting after vote counting has been completed, and record thereof shall be made.</u></p> <p><u>When the Company holds a virtual Shareholders' Meeting, after the chair has called the meeting to order, a shareholder attending the meeting via video conferencing shall cast votes on proposals and elections via the virtual meeting platform before the chair announces the voting session has ended; otherwise, the shareholder shall be deemed to have waived the right to vote thereon.</u></p> <p><u>When the Company holds a virtual Shareholders' Meeting, the votes shall be counted in one lot, after the chair has declared the voting session ended, and the results of the voting and elections shall be announced.</u></p> <p><u>When the Company holds a hybrid Shareholders' Meeting, where a shareholder having registered to attend the meeting via video conferencing in accordance with Article 6 intends to attend the physical Shareholders' Meeting in person, he/she/it shall revoke his/her/its registration two days prior to the Shareholders' Meeting in the same manner as that in which the registration has been made. If the registration is not revoked within the time limit, he/she/it may only attend the Shareholders' Meeting via video conferencing.</u></p> <p><u>When a shareholder who has previously exercised his/her/its voting rights by correspondence or electronic means but without revoking his/her/its original declaration of intent, still attends the Shareholders' Meeting via video conferencing, he/she/it shall not exercise his/her/its voting rights on the original</u></p>	<p>Shareholders' Meeting venue. <u>The voting result shall be announced on-site at the meeting, and record thereof shall be made.</u></p>	

Revised provisions	Current provisions	Explanations
<p><u>proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal, except for extempore motions.</u></p>		
<p>Article 15 (Meeting minutes and signatures) Paragraphs 1–3 (Omitted) <u>Where a virtual Shareholders’ Meeting is held, in addition to the items to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the Shareholders’ Meeting, the method of holding the meeting, the name of the chair and the meeting secretary, as well as the handling methods and the handling status thereof in case of disruption to the virtual meeting platform or participation in the meeting via video conferencing due to natural disasters, accidents or other force majeure events shall also be included in the minutes.</u> <u>When a virtual shareholder meeting is held, in addition to compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes the alternative measures available to shareholders with difficulties in attending a virtual Shareholders’ Meeting.</u></p>	<p>Article 15 (Meeting minutes and signatures) Paragraphs 1–3 (Omitted)</p>	<p>Paragraphs 4 and 5 are added in response to regulatory amendments related to Shareholders’ Meetings held via video conferencing.</p>
<p>Article 16 (Public disclosure) <u>The number of shares acquired by the vote solicitor, the number of shares represented by a proxy, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means shall be compiled in the form of a statistical statement as prescribed and clearly disclosed within the venue of the Shareholders’ Meeting on the day of the Shareholders’ Meeting; when a virtual Shareholders’ Meeting is held, the Company shall upload the</u></p>	<p>Article 16 (Public disclosure) <u>The number of shares acquired by the vote solicitor and the number of shares represented by a proxy shall be compiled in the form of a statistical statement as prescribed and clearly disclosed within the venue of the Shareholders’ Meeting on the day of the Shareholders’ Meeting.</u> <u>Added.</u> Hereinafter omitted.</p>	<p>This article is revised to add the provisions relating to the Shareholders’ Meetings held via video conferencing.</p>

Revised provisions	Current provisions	Explanations
<p><u>aforementioned meeting materials on the virtual meeting platform at least 30 minutes before the meeting starts, and shall continue such information disclosure until the end of the meeting. During virtual Shareholders' Meetings held by the Company when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting is updated and the tally of votes is released throughout the meeting.</u></p> <p>Hereinafter omitted.</p>		
<p><u>Article 19 (Disclosure of information at virtual meetings)</u></p> <p><u>When a virtual Shareholders' Meeting is held, the Company shall disclose real-time results of the votes on all the proposals and the election after the end of the voting session on the virtual meeting platform in accordance with the regulations, and shall continue such disclosure at least 15 minutes after the chair has declared the meeting adjourned.</u></p>		<p>This article is added related to the Shareholders' Meetings held via video conferencing.</p>
<p><u>Article 20 (Location of the chair and meeting secretary for the virtual Shareholders' Meeting)</u></p> <p><u>When the Company holds a virtual Shareholders' Meeting, both the chair and meeting secretary shall be at the same domestic location, and the chair shall declare the address of said location when the meeting is called to order.</u></p>		<p>As above.</p>
<p><u>Article 21 (Handling of disconnections)</u></p> <p><u>When a virtual Shareholders' Meeting is held, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to assist them in resolving</u></p>		<p>As above.</p>

Revised provisions	Current provisions	Explanations
<p><u>technical issues during communication. When a virtual Shareholders' Meeting is held, at the time when the meeting is called to order, the chair shall also declare that, unless it is under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents, or other force majeure events before the chair has announced the meeting adjourned, and such obstruction has continued for 30 minutes or more, the other date of the meeting to which it will be postponed or on which it will be resumed within five days shall be announced, in which case Article 182 of the Company Act shall not apply.</u></p> <p><u>For a meeting to be postponed or resumed as described in the preceding paragraph, a shareholder that has not registered to participate in the virtual Shareholders' Meeting so affected shall not attend the postponed or resumed session.</u></p> <p><u>For a meeting to be postponed or resumed pursuant to Paragraph 2, the number of shares represented by, and the voting rights and election rights exercised by the shareholders so affected who have registered to participate in the original virtual Shareholders' Meeting and have successfully signed in said meeting but have not attended the postponed or resumed session, shall be counted towards the total number of shares, number of voting rights, and number of election rights represented by</u></p>		

Revised provisions	Current provisions	Explanations
<p><u>the shareholders attending the postponed or resumed session.</u></p> <p><u>When handling the postponed or resumed session of a Shareholders' Meeting pursuant to Paragraph 2, no further discussion or resolution shall be required for proposals on which the votes have been cast and counted and the results thereof or the list of the directors-elect have been announced.</u></p> <p><u>In the event that of a hybrid Shareholders' Meeting, when the virtual meeting cannot be continued where the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual Shareholders' Meeting, still meets the statutory quorum requirements for a shareholder meeting, the Shareholders' Meeting shall continue without the need to postpone or resume the meeting in accordance with Paragraph 2.</u></p> <p><u>Under the circumstances where a meeting shall continue as prescribed in the preceding paragraph, the shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by shareholders present at the meeting, while the shareholder attending the virtual meeting shall be deemed to have waived the voting right on all proposals on the meeting agenda of that Shareholders' Meeting.</u></p> <p><u>When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original Shareholders' Meeting in accordance with the requirements set out in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public</u></p>		

Revised provisions	Current provisions	Explanations
<p><u>Companies.</u> <u>For the periods set forth in the latter part of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Paragraph 2 of Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the relevant matters based on the date of the Shareholders' Meeting that is postponed or resumed pursuant to Paragraph 2.</u></p>		
<p><u>Article 22 (Handling of digital divide)</u> <u>When holding a virtual Shareholders' Meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting.</u></p>		As above.
<p>Article <u>23</u> (Supplementary provisions) These Rules came into force after being approved by the Shareholders' Meeting, and the same shall apply in the event of the revision thereof. These Rules were formulated on May 16, 2006. The first revision – the fifth revision (Omitted) <u>The sixth revision was made on June 07, 2023.</u></p>	<p>Article <u>19</u> (Supplementary provisions) These Rules came into force after being approved by the Shareholders' Meeting, and the same shall apply in the event of the revision thereof. These Rules were formulated on May 16, 2006. The first revision – the fifth revision (Omitted)</p>	<p>The numbering of this article is adjusted, and the number and date of the revisions are added hereto in response to the articles added in the present revision.</p>

7. Comparison Table on Revision of the Provisions of the Procedures for Acquisition or Disposal of Assets

Comparison Table on Revision of the Provisions of the Procedures for Acquisition or Disposal of Assets

Revised provisions	Current provisions	Explanations
<p>Article 5 Appraisal report or opinion letter</p> <p>Professional appraisers and their staff appraisers that provide the Company with appraisal reports, or certified public accounts, lawyers, and securities underwriters that provide the Company with opinion letters shall meet the following requirements:</p> <ol style="list-style-type: none"> 1. They shall not have received a final and binding sentence to imprisonment for 1 year or longer for a 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, embezzlement, forgery of documents, or occupational crime. However, this provision shall not apply if 3 years have already passed since completion of the sentence, expiration of the parole period, or a pardon of the sentence. 2. They shall not be related parties or de facto related parties to any party to the transaction. 3. If the Company is required to obtain appraisal reports from two or more professional appraisers, such different professional appraisers or staff appraisers shall not be related parties or de facto related parties between/among themselves. <p>When issuing an appraisal report or opinion letter, the persons referred to in</p>	<p>Article 5 Appraisal report or opinion letter</p> <ol style="list-style-type: none"> 1. Professional appraisers and their staff appraisers that provide the Company with appraisal reports, or certified public accounts, lawyers, and securities underwriters that provide the Company with opinion letters shall meet the following requirements: <ol style="list-style-type: none"> (1) They shall not have received a final and binding sentence to imprisonment for 1 year or longer for a 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, embezzlement, forgery of documents, or occupational crime. However, this provision shall not apply if 3 years have already passed since completion of the sentence, expiration of the parole period, or a pardon of the sentence. (2) They shall not be related parties or de facto related parties to any party to the transaction. (3) If the Company is required to obtain appraisal reports from two or more professional appraisers, such different professional appraisers or staff appraisers shall not be related parties or de facto related parties between/among themselves. <p>When issuing an appraisal report or opinion letter, the persons referred to in the preceding paragraph shall comply</p>	<p>The numbering has been revised, and the original Article 5, Paragraph 2 (i.e., the current article, the same as below) has been moved to Article 13.</p>

Revised provisions	Current provisions	Explanations
<p>the preceding paragraph shall comply with the self-regulatory rules of the industry association to which they belong as well as the following provisions:</p> <ol style="list-style-type: none"> <li data-bbox="113 412 668 568">1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. <li data-bbox="113 573 668 1032">2. When conducting a case, they shall appropriately plan and implement adequate implementation procedures, in order to produce a conclusion to be used as the basis for issuing the report or opinion letter, and shall record the procedures implemented, data collected and conclusion fully and accurately in the working papers of the case. <li data-bbox="113 1037 668 1368">3. They shall carry out an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, the information, etc. to be used as the basis for issuance of the appraisal report or opinion letter. <li data-bbox="113 1373 668 1832">4. They shall issue a statement attesting to the professional competence and independence of the relevant persons who prepare the report or opinion letter, that they have evaluated and found that the information used therein is appropriate and reasonable, that they have complied with relevant laws and regulations, and other matters. 	<p>with the self-regulatory rules of the industry association to which they belong as well as the following provisions:</p> <ol style="list-style-type: none"> <li data-bbox="671 367 1222 524">(1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. <li data-bbox="671 528 1222 987">(2) When conducting a case, they shall appropriately plan and implement adequate implementation procedures, in order to produce a conclusion to be used as the basis for issuing the report or opinion letter, and shall record the procedures implemented, data collected and conclusion fully and accurately in the working papers of the case. <li data-bbox="671 992 1222 1279">(3) <u>They shall carry out an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, the information, etc. to be used as the basis for issuance of the appraisal report or opinion letter.</u> <li data-bbox="671 1283 1222 1704">(4) <u>They shall issue a statement attesting to the professional competence and independence of the relevant persons who prepare the report or opinion letter, that they have evaluated and found that the information used therein is appropriate and reasonable, that they have complied with relevant laws and regulations, and other matters.</u> <li data-bbox="671 1709 1222 1995">2. <u>Where the Company acquires or disposes of assets through court auction procedures, the evidentiary document issued by the court may be substituted for the appraisal report or the accountant's opinion letter.</u> 	

Revised provisions	Current provisions	Explanations
<p><u>Article 6 Implementation and revision</u> <u>The Company’s “Handling Procedures for Acquisition or Disposal of Assets” shall be approved by the Audit Committee, further approved by the Board of Directors, and then submitted to the shareholders meeting for approval. The same shall apply to the revision thereof.</u> <u>After the Company has appointed independent directors, when submitting the acquisition or disposal of assets transactions to the Board of Directors for discussion in accordance with the provisions of these Handling Procedures, the opinions of independent directors shall be fully considered. If independent directors have objections or reservations, such objections or reservations shall be clearly stated in the minutes of the board meeting.</u> <u>The resolution of the Audit Committee referred to in Paragraph 1 shall be approved by one half or more of all members of the Audit Committee.</u> <u>If the proposal is not approved by one half or more of all members of the Audit Committee as referred to in the preceding paragraph, it may be implemented with the consent of two thirds or more of all directors, for which the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.</u> <u>All members of the Audit Committee referred to in Paragraph 4 and all directors referred to in the preceding paragraph shall be counted by those actually in office.</u></p>	<p><u>Article 6 The handling procedures for acquiring or disposing of real property, equipment or its right-of-use assets:</u></p> <ol style="list-style-type: none"> <u>1. Evaluation and operating procedures</u> <u>The Company’s acquisition or disposal of real property, equipment or its right-to-use assets shall be handled in accordance with the Company’s internal control system of fixed asset cycle procedures.</u> <u>2. Procedures for determining transaction conditions and authorized quotas.</u> <ol style="list-style-type: none"> <u>(1) To acquire or dispose of real property or its right-to-use assets, the transaction conditions and transaction price shall be resolved by reference to the assessed present value, appraised value, actual transaction price of adjacent real property, etc., and the analysis report when completed shall be submitted to the relevant supervisor according to the approval authority of the Company.</u> <u>(2) Acquisition or disposal of equipment or its right-to-use assets shall be carried out by means of selecting either price inquiry, price comparison, price negotiation or bidding, and the transaction amount shall be handled according to the approval authority of the Company.</u> <u>(3) The Company’s acquisition or disposal of real property, equipment or its right-to-use assets shall be approved by the Board of Directors in accordance with these Handling Procedures or other laws and regulations. In addition, after the Company has appointed independent directors, it shall fully consider the opinions of independent directors when</u> 	<p>The original Article 15 has been moved to this article, the original Article 6, Paragraphs 1 to 3 moved to Article 7, Paragraph 1; the original Article 6, Paragraph 4 of moved to Article 9; and the original Article 6, Paragraph 5 has been moved to Article 12 with an adjustment of the text.</p>

Revised provisions	Current provisions	Explanations
	<p><u>submitting asset acquisition or disposal transactions to the Board of Directors for discussion in accordance with regulations. If independent directors have objections or reservations, objections or reservations shall be clearly stated in the minutes of the board meeting; The Company has an Audit Committee, and major asset transactions shall be approved by one half or more of all members of the Audit Committee and submitted to the Board of Directors for a resolution. If there is no consent of one half or more of all members of the Audit Committee, such transactions may be approved by two thirds or more of all directors instead thereof, where the resolution of the Audit Committee shall be clearly stated in the minutes of the board meeting. All members of the Audit Committee and all directors shall be counted by those actually in office.</u></p> <p>3. <u>Implementation unit</u> <u>For the Company to acquire or dispose of real property, equipment or its right-to-use assets, it shall be submitted for approval in accordance with the approval authority in the preceding paragraph, and then the user department and management office shall be in charge of the implementation thereof.</u></p> <p>4. <u>Real property or equipment appraisal report</u> <u>In acquiring or disposing of real property, equipment, or its right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the transaction from a professional appraiser and shall further comply with the following requirements, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets held for business use:</u></p> <p><u>(1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted to the Board of Directors for approval in advance; the same procedure shall also be followed whenever there is any subsequent change in the terms and conditions of the transaction.</u></p> <p><u>(2) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</u></p> <p><u>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the difference and the fairness of the transaction price:</u></p> <p><u>1) Where the difference between the</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>appraisal result and the transaction amount is 20 percent or more of the transaction amount.</u></p> <p><u>2) Where the difference between/among the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</u></p> <p><u>(4) Where the appraisal is given prior to the contract execution date, no more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; however, if the assessed present value for the same period is used and not more than 6 months have elapsed, an opinion letter may still be issued by the original professional appraiser.</u></p> <p><u>5. The calculation of the transaction amount referred to in this article shall be carried out in accordance with Article 12, Paragraph 1, Subparagraph 6; “within one year” shall refer to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or an accountant’s opinion letter has been obtained in accordance with these Handling Procedures shall not be required to be counted toward the transaction amount.</u></p>	
<p>Article 7 Handling procedures</p> <p>1. <u>The handling procedures for acquiring or disposing of real property, equipment or its right-of-use assets:</u></p> <p><u>(1) Evaluation and operating procedures</u></p> <p><u>The Company’s acquisition or disposal of real property, equipment or its right-to-use assets shall be</u></p>	<p>Article 7 The handling procedures for acquiring or disposing of marketable securities:</p> <p>1. Evaluation and operating procedures</p> <p>The purchase and sale of the Company’s marketable securities shall be handled in accordance with the Company’s internal control system of investment cycle</p>	<p>The original Article 6, Paragraphs 1-3, the original Article 7, Paragraphs 1-3, the original Article 7, Paragraph 5</p>

Revised provisions	Current provisions	Explanations
<p><u>handled in accordance with the Company's internal control system of fixed asset cycle procedures.</u></p> <p><u>(2) Procedures for determining transaction conditions and authorized quotas</u></p> <p><u>1). To acquire or dispose of real property or its right-to-use assets, the transaction conditions and transaction price shall be resolved by reference to the assessed present value, appraised value, actual transaction price of adjacent real property, etc., and the analysis report when completed shall be submitted to the relevant supervisor according to the approval authority of the Company.</u></p> <p><u>2). Acquisition or disposal of equipment or its right-to-use assets shall be carried out by means of selecting either price inquiry, price comparison, price negotiation or bidding, and the transaction amount shall be handled according to the approval authority of the Company.</u></p> <p><u>3). The Company's acquisition or disposal of real property, equipment or its right-to-use assets shall be approved by the Board of Directors in accordance with these Handling Procedures or other laws and regulations. In addition, after the Company has appointed independent directors, it shall fully consider the opinions of independent directors when submitting asset acquisition or disposal transactions to the Board of Directors for discussion in accordance with regulations. If independent directors have objections or reservations, objections or reservations shall be clearly stated in the minutes of the board meeting; The Company has an Audit</u></p>	<p>operations, and investments in the Mainland Area shall be handled in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs.</p> <p><u>2.</u> The procedures for determining transaction conditions and authorized quotas shall be handled in accordance with the relevant rules of the Company's internal control system.</p> <p><u>3.</u> Implementation unit For the Company to invest in marketable securities, it shall be submitted for approval in accordance with the approval authority in the preceding subparagraph, and then the finance and finance and accounting department shall be in charge of the implementation thereof.</p> <p><u>4.</u> <u>Obtaining the expert opinion</u> For the Company to acquire or dispose of marketable securities, it shall obtain the financial statements of the target company for the most recent period that have been certified or reviewed by a certified public accountant prior to the date of occurrence of the transaction to be used as reference for appraising the transaction price, unless the following conditions are met; in addition, where the transaction amount is 20 percent or more of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the transaction to provide an opinion regarding the reasonableness of the transaction price.</p> <p><u>(1) Acquisition of marketable securities</u></p>	<p>and the original Article 9, Paragraphs 1-3 have all been merged into this article; the original Article 7, Paragraph 4 has been moved to Article 10; and the original Article 7, Paragraph 6 has been moved to Article 12.</p>

Revised provisions	Current provisions	Explanations
<p><u>Committee, and major asset transactions shall be approved by one half or more of all members of the Audit Committee and submitted to the Board of Directors for a resolution. If there is no consent of one half or more of all members of the Audit Committee, such transactions may be approved by two thirds or more of all directors instead thereof, where the resolution of the Audit Committee shall be clearly stated in the minutes of the board meeting. All members of the Audit Committee and all directors shall be counted by those actually in office.</u></p> <p><u>(3) Implementation unit</u> <u>For the Company to acquire or dispose of real property, equipment or its right-to-use assets, it shall be submitted for approval in accordance with the approval authority in the preceding paragraph, and then the user department and management office shall be in charge of the implementation thereof.</u></p> <p>2. The handling procedures for acquiring or disposing of marketable securities:</p> <p><u>(1) Evaluation and operating procedures</u> The purchase and sale of the Company's marketable securities shall be handled in accordance with the Company's internal control system of investment cycle operations, and investments in the Mainland Area shall be handled in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs.</p> <p><u>(2) The procedures for determining transaction conditions and authorized quotas shall be handled in accordance with the relevant rules of the</u></p>	<p><u>with cash contributions through incorporation by promotion or by public offering in accordance with the law, and the entitlement manifested by the marketable securities so obtained is in equivalent proportion to the capital contribution.</u></p> <p><u>(2) Participation in the subscription of marketable securities issued at face value by the target company for cash capital increase in accordance with relevant laws and regulations.</u></p> <p><u>(3) Participation in the subscription of marketable securities issued by the 100% direct or indirect investment company for cash capital increase, or participation in the subscription of marketable securities issued for cash capital increase by among 100% owned subsidiaries.</u></p> <p><u>(4) TWSE listed, TPEX listed and Emerging Stock Board listed marketable securities traded on the stock exchange market or over securities firms.</u></p> <p><u>(5) Domestic government bonds, and bonds under repurchase or reverse repurchase agreements.</u></p> <p><u>(6) Publicly offered funds.</u></p> <p><u>(7) Acquisition or disposal of TWSE listed (TPEX listed) stocks in accordance with the Taiwan Stock Exchange Corporation Rules Governing Purchase of Listed Securities by Reverse Auction or the Taipei Exchange Rules Governing Reverse Auction of TPEX Listed Securities or their respective auction regulations.</u></p> <p><u>(8) Participation in the subscription of stocks issued by domestic public companies for cash capital increase or the subscription of domestic</u></p>	

Revised provisions	Current provisions	Explanations
<p>Company's internal control system.</p> <p>(3) Implementation unit For the Company to invest in marketable securities, it shall be submitted for approval in accordance with the approval authority in the preceding subparagraph, and then the finance and finance and accounting department shall be in charge of the implementation thereof.</p> <p>3. <u>The handling procedures for acquiring or disposing of intangible assets or their right-to-use assets or membership certificates :</u></p> <p>(1) <u>Evaluation and operating procedures</u> The Company's acquisition or disposal of intangible assets or their right-to-use assets or membership certificates is handled in accordance with the Company's internal control system of fixed asset cycle procedures.</p> <p>(2) <u>Procedures for determining transaction conditions and authorized quotas</u></p> <p>1) <u>When acquiring or disposing of intangible assets or their right-to-use assets or membership certificates, the fair market value shall be taken into account to resolve on the transaction terms and conditions as well as the transaction price, which shall be made into an analysis report to be submitted to the authorized supervisor for approval according to the Company's approval authority before the transaction may be implemented.</u></p> <p>2) <u>The Company's acquisition or disposal of assets shall be approved by the Board of Directors in accordance with the handling procedures formulated or other laws and regulations. In addition, after the</u></p>	<p><u>corporate bonds (including bank debentures), where the marketable securities acquired do not belong to marketable securities in private placement.</u></p> <p>(9) <u>Subscription of domestic privately offered funds prior to the establishment of the fund in accordance with Paragraph 1, Article 11 of the Securities Investment Trust and Consulting Act, or where for domestic privately offered funds subscribed or redeemed, the investment strategy has been specified in the trust contract that the investment scope shall be the same as that in publicly offered funds except for securities margin trading and open positions held in securities-related products.</u></p> <p>5. <u>Other required operating procedures</u></p> <p>(1) <u>Unless approved by a special resolution of the Board of Directors of the Company, the Company shall not waive the subscription of marketable securities issued by the subsidiary Tiger Glory Limited (SAMOA) for cash capital increase or dispose of the marketable securities already issued by the subsidiary that are originally held by the Company;</u></p> <p>(2) <u>Unless approved by a special resolution of the Board of Directors of the Company, the Company shall not waive the subscription of marketable securities issued by the subsidiary Empia Technology, Inc. for cash capital increase or dispose of the marketable securities already issued by the subsidiary that are originally held by the Company.</u></p> <p>6. <u>The calculation of the transaction amount referred to in this article</u></p>	

Revised provisions	Current provisions	Explanations
<p><u>Company has appointed independent directors, when submitting the acquisition or disposal of assets transaction to the Board of Directors for discussion in accordance with the provisions of these Handling Procedures, the opinions of independent directors shall be fully considered. If independent directors have objections or reservations, such objections or reservations shall be clearly stated in the minutes of the board meeting; The Company has an Audit Committee, and such transactions shall be approved by one half or more of all members of the Audit Committee and submitted to the Board of Directors for a resolution. If there is no consent of one half or more of all members of the Audit Committee, such transactions may be approved by two thirds or more of all directors instead thereof, where the resolution of the Audit Committee shall be clearly stated in the minutes of the board meeting. All members of the Audit Committee and all directors shall be counted by those actually in office.</u></p> <p><u>(3) Implementation unit</u> <u>When the Company acquires or disposes of intangible assets or their right-to-use assets or membership certificates, it shall be submitted for approval in accordance with the approval authority in the preceding subparagraph, and then the user department as well as the finance and finance and accounting department or the administrative department shall be in charge of the implementation thereof.</u></p> <p>4. Other required operating procedures (1) Unless approved by a special</p>	<p><u>shall be carried out in accordance with Article 12, Paragraph 1, Subparagraph 6; “within one year” shall refer to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or an accountant’s opinion letter has been obtained in accordance with these Handling Procedures shall not be required to be counted toward the transaction amount.</u></p>	

Revised provisions	Current provisions	Explanations
<p>resolution of the Board of Directors of the Company, the Company shall not waive the subscription of marketable securities issued by the subsidiary Tiger Glory Limited (SAMOA) for cash capital increase or dispose of the marketable securities already issued by the subsidiary that are originally held by the Company;</p> <p>(2) Unless approved by a special resolution of the Board of Directors of the Company, the Company shall not waive the subscription of marketable securities issued by the subsidiary Empia Technology, Inc. for a cash capital increase or dispose of the marketable securities already issued by the subsidiary that are originally held by the Company.</p>		
<p>Article 8 <u>The Company’s acquisition or disposal of assets shall be approved by the Board of Directors in accordance with the handling procedures formulated or other laws and regulations. In addition, after the Company has appointed independent directors, when submitting the acquisition or disposal of assets transaction to the Board of Directors for discussion in accordance with the provisions of these Handling Procedures, the opinions of independent directors shall be fully considered. If independent directors have objections or reservations, such objections or reservations shall be clearly stated in the minutes of the board meeting; The Company has an Audit Committee, and such transactions shall be approved by one half or more of all members of the Audit Committee and submitted to the Board of Directors for a resolution. If there is no consent of one half or more</u></p>	<p>Article 8 <u>Related Party Transactions</u> 1. <u>When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to following the handling procedures for acquisition or disposal of real property, equipment or its right-of-use assets in Article 6 and relevant resolution procedures subject to the following requirements as well as evaluating the reasonableness of transaction terms and conditions, if the transaction amount is 10 percent or more of the Company’s total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant’s opinion letter in accordance with the provisions of the preceding section. In addition, when judging whether the transaction counterparty is a related party, in addition to paying attention to the legal form thereof,</u></p>	<p>The original Article 9, Paragraph 2, Subparagraph 2 has been moved to this article; the original Article 8, Paragraph 1 has been moved to Article 14 with an adjustment of the text; the original Article 8, Paragraph 2 has been moved to Article 15 with an adjustment of</p>

Revised provisions	Current provisions	Explanations
<p><u>of all members of the Audit Committee, such transactions may be approved by two thirds or more of all directors instead thereof, where the resolution of the Audit Committee shall be clearly stated in the minutes of the board meeting. All members of the Audit Committee and all directors shall be counted by those actually in office.</u></p>	<p><u>the substantive relationship thereof shall also be considered.</u></p> <p><u>2. Evaluation and operating procedures</u></p> <p><u>When the Company intends to acquire or dispose of real property or its right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or its right-of-use assets from or to a related party where the transaction amount is 20 percent or more of the paid-in capital of the Company, or 10 percent or more of the Company's total assets, or NT\$300 million or more, the Company shall not proceed to enter into a transaction contract and make a payment until the following materials have been approved by the Audit Committee, as well as submitted to and approved by the Board of Directors, except for trading of domestic government bonds or bonds under repurchase or reverse repurchase agreements, subscription or redemption of money market funds issued by domestic securities investment trust enterprises:</u></p> <p><u>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</u></p> <p><u>(2) The reason for selecting the related party as a transaction counterparty.</u></p> <p><u>(3) With respect to the acquisition of real property or its right-of-use assets from a related party, relevant materials for evaluating the reasonableness of the intended transaction terms and conditions in accordance with Paragraph (1) and Paragraph (4), Paragraph 3 of this article.</u></p> <p><u>(4) The date and price of the original</u></p>	<p>the text; the original Subparagraphs 1 through 3 and Article 8, Paragraph 3, Subparagraph 6 have been moved to Article 16 with an adjustment of the text; the original Article 8, Paragraph 3 moved to Article 17 with an adjustment of the text; and the original Article 8, Paragraph 3, Subparagraphs 5 and 7 have been moved to Article 18 with an adjustment of the text.</p>

Revised provisions	Current provisions	Explanations
	<p><u>acquisition by the related party, the transaction counterparty, the relationship between that transaction counterparty and the Company and the related party, and other matters.</u></p> <p><u>(5) Monthly forecasted cash flow statements for the year commencing from the anticipated month of signing the contract, and evaluation of the necessity of the transaction as well as the reasonableness of the funds utilization.</u></p> <p><u>(6) The appraisal report issued by the professional appraiser or the accountant's opinion letter obtained in accordance with the preceding article.</u></p> <p><u>(7) Restrictive terms and other important agreements and matters associated with the current transaction.</u></p> <p><u>With respect to the transactions set out below that are conducted between the Company and its parent company or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may authorize the chairman to decide such matters in advance when the transaction amount is within NT\$100 million provided that such a decision shall be subsequently submitted to the most upcoming board meeting for recognition:</u></p> <p><u>(1) Acquisition or disposal of equipment or its right-of-use assets held for business use.</u></p> <p><u>(2) Acquisition or disposal of real property right-of-use assets held for business use.</u></p> <p><u>When the Company submits the</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>acquisition or disposal of assets transaction to the Board of Directors for discussion in accordance with the provisions of these Handling Procedures, it shall fully consider the opinions of independent directors. If independent directors have objections or reservations, such objections or reservations shall be clearly stated in the minutes of the board meeting; As the Company has the Audit Committee in place, such transactions shall be approved by one half or more of all members of the Audit Committee and submitted to the Board of Directors for a resolution. If such transactions are not approved by one half or more of all members of the Audit Committee, they may be approved by two thirds or more of all directors instead thereof, where the resolution of the Audit Committee shall be clearly stated in the minutes of the board meeting. All members of the Audit Committee and all directors shall be counted by those actually in office. If the Company engages in the transaction set out in Paragraph 2 with a subsidiary that is not a domestic public company where the transaction amount is 10 percent or more of the Company's total assets, the Company shall submit all the materials set out in Paragraph 2 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction shall not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amount referred to in Paragraph 2 and the preceding paragraph shall be made in accordance with Article 12, Paragraph 1, Subparagraph 6; "within</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>one year” shall refer to the year preceding the date of occurrence of the current transaction. The part that has been submitted to the shareholders meeting in accordance with these Handling Procedures, approved by the Audit Committee, as well as submitted to and approved by the Board of Directors shall not be required to be counted toward the transaction amount.</u></p> <p><u>3. Evaluation of reasonableness of transaction costs</u></p> <p><u>(1) For the Company to acquire real property or its right-of-use assets from a related party, it shall evaluate the reasonableness of the transaction costs by the following methods:</u></p> <p><u>1) Based upon the related party’s transaction price plus necessary interest on the funding as well as the cost to be borne by the buyer under the law. The “necessary interest cost of the funding” shall be calculated based on the weighted average interest rate on the borrowing made in the year the Company purchases the asset, provided that it shall not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</u></p> <p><u>2) Total appraised value of the loan taken out from a financial institution on the subject matter where the related party has previously created a mortgage on the said subject matter as security for a loan; provided that the actual cumulative amount loaned by the financial institution on the said subject matter shall have been 70 percent or more of the appraised loan value and the loan period shall have elapsed 1 year or more. However, this shall</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>not apply where the financial institution is a related party to one of the transaction counterparties.</u></p> <p><u>(2) Where the land and structure thereupon are combined as the same subject matter in the purchase or lease transaction, the transaction cost for the land and the structure may be separately appraised by either of the methods set out in the preceding paragraph.</u></p> <p><u>(3) When the Company intends to acquire real property or its right-of-use assets from a related party and thus appraises the cost of the real property or its right-of-use assets in accordance with Paragraph 3, Subparagraphs 1 and 2 of this article, it shall also engage an accountant to re-examine the appraisal and render a specific opinion letter.</u></p> <p><u>(4) When the Company intends to acquire real property or its right-of-use assets from related parties and all the appraisal results of the evaluation conducted in accordance with Paragraph 3, Subparagraphs 1 and 2 of this article indicate lower prices than the transaction price, it shall be in accordance with Paragraph 3, Subparagraph 5 of this article. However, this shall not apply in the following circumstances where objective evidence is provided together with the specific opinion on the reasonableness being obtained from the professional real property appraiser and accountant:</u></p> <p><u>1) Where the related party has acquired undeveloped land or leased land for development, it may provide evidence to prove that one of the following conditions is met:</u></p>	

Revised provisions	Current provisions	Explanations
	<p>a. <u>When the undeveloped land is appraised by the methods specified in the preceding article and the structure is appraised based on the related party's construction cost plus reasonable construction profit where the total amount exceeds the actual transaction price. The so-called "reasonable construction profit" shall be based on the average gross operating profit margin of the related party's construction department over the most recent 3 years or the gross profit margin of the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</u></p> <p>b. <u>Other transaction cases completed by unrelated parties within one year involving other floors of the same subject property or its neighborhood covering a similar area, where the transaction terms and conditions have been found to be equivalent after the evaluation of reasonable price spread in terms of floors or districts according to real property sale or lease market practices.</u></p> <p><u>2) Where the Company has provided evidence to prove that with regard to the real property acquired or the real property right-of-use assets obtained through leasing from a related party, the transaction terms and conditions are equivalent to those in other transaction cases completed by unrelated parties within one year</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>covering a similar area. The</u> <u>aforementioned other transaction</u> <u>cases in the neighborhood shall, in</u> <u>principle, refer to those completed</u> <u>on the same or an adjacent block</u> <u>and within a distance of no more</u> <u>than 500 meters from the transaction</u> <u>subject matter or with similar</u> <u>assessed present value; the so-called</u> <u>covering a similar area shall, in</u> <u>principle, refer to the property in</u> <u>other transaction cases completed by</u> <u>unrelated parties covering an area of</u> <u>no less than 50 percent of the</u> <u>subject property in the intended</u> <u>transaction; “within one year” shall</u> <u>refer to the year preceding the date</u> <u>of occurrence of this current</u> <u>transaction of acquisition of the real</u> <u>property or its right-of-use assets.</u></p> <p><u>(5) Where the Company acquires real</u> <u>property or its right-of-use assets</u> <u>from a related party and the results</u> <u>of appraisals conducted in</u> <u>accordance with Paragraph 3,</u> <u>Subparagraphs 1 and 2 of this article</u> <u>indicate a price lower than the</u> <u>transaction price, the following</u> <u>matters shall be carried out. In</u> <u>addition, where the Company and</u> <u>the public company adopting the</u> <u>equity method to evaluate its</u> <u>investment in the Company have set</u> <u>aside a special reserve pursuant to</u> <u>the following provisions, the special</u> <u>reserve may only be utilized after</u> <u>the asset it purchased or leased at a</u> <u>premium has been recognized for a</u> <u>loss on decline in the market value</u> <u>or has been disposed of, or the lease</u> <u>contract has been terminated, or</u> <u>adequate compensation has been</u> <u>made, or the status quo ante has</u> <u>been restored, or there is other</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>evidence confirming that there is nothing unreasonable about the transaction, which has also been approved by the Financial Supervisory Commission.</u></p> <p><u>1) A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the transaction price of the real property or its right-of-use assets and the appraised cost, which shall not be distributed or used for capital increase and distribution of shares. Where the public company adopts the equity method to account for its investment in the Company, a special reserve shall also be set aside according to its shareholding ratio therein in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.</u></p> <p><u>2) The Audit Committee shall proceed therewith in accordance with the provisions of Article 218 of the Company Act.</u></p> <p><u>3) The handling status pursuant to Items 1 and 2, Subparagraph (5), Paragraph 3 of this subparagraph shall be reported to the shareholders meeting, and the details of the transaction shall also be disclosed in the annual report and investment prospectus.</u></p> <p><u>(6) When the Company acquires real property or its right-to-use assets from related parties where one of the following circumstances occurs, it shall be handled in accordance with the relevant evaluation and operating procedures in Paragraphs 1 and 2 of this article, and the provisions of Paragraph 3, Subparagraphs (1), (2) and (3) of</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>this article regarding the evaluation of reasonableness of the transaction cost shall not apply:</u></p> <p><u>1) The related party has acquired the real property or its right-of-use assets through inheritance or as a gift.</u></p> <p><u>2) More than 5 years have elapsed from the time the related party signed the contract for the acquisition of the real property or its right-of-use assets to the signing date for the current transaction.</u></p> <p><u>3) The real property has been acquired through signing of a joint construction contract with the related party.</u></p> <p><u>4) The real property right-of-use assets for business use have been acquired by the Company with its parent company or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</u></p> <p><u>(7) When the Company has acquired real property or its right-of-use assets from a related party where other evidence indicates that the acquisition is not an arm's length transaction, it shall also be handled in accordance with Paragraph 3, Subparagraph 5 of this article.</u></p>	
<p>Article 9 <u>Real property or equipment appraisal report</u> <u>In acquiring or disposing of real property, equipment, or its right-of-use assets where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall obtain an appraisal report prior to the date of occurrence of the transaction from a professional appraiser and shall further</u></p>	<p>Article 9 <u>The handling procedures for acquiring or disposing of intangible assets or their right-to-use assets or membership certificates</u></p> <p><u>1. Evaluation and operating procedures</u> <u>The Company's acquisition or disposal of intangible assets or their right-to-use assets or membership certificates is handled in accordance with the Company's internal control system of fixed asset cycle procedures.</u></p>	<p>The original Article 6, Paragraph 4 has been moved to this article; the original Paragraphs 1 through 3 of Article 9 have been moved to Article 7,</p>

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<p><u>comply with the following requirements, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or its right-of-use assets held for business use:</u></p> <ol style="list-style-type: none"> 1. <u>Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted to the Board of Directors for approval in advance; the same procedure shall also be followed whenever there is any subsequent change in the terms and conditions of the transaction.</u> 2. <u>Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</u> 3. <u>Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the difference and the fairness of the transaction price:</u> <ol style="list-style-type: none"> (1) <u>Where the difference between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</u> (2) <u>Where the difference between/among the appraisal results of two or more professional appraisers is 10 percent or more of</u> 	<ol style="list-style-type: none"> 2. <u>Procedures for determining transaction conditions and authorized quotas.</u> <ol style="list-style-type: none"> (1) <u>When acquiring or disposing of intangible assets or their right-to-use assets or membership certificates, the fair market value shall be taken into account to resolve on the transaction terms and conditions as well as the transaction price, which shall be made into an analysis report to be submitted to the authorized supervisor for approval according to the Company's approval authority before the transaction may be implemented.</u> (2) <u>The Company's acquisition or disposal of assets shall be approved by the Board of Directors in accordance with the handling procedures formulated or other laws and regulations. In addition, after the Company has appointed independent directors, when submitting the acquisition or disposal of assets transaction to the Board of Directors for discussion in accordance with the provisions of these Handling Procedures, the opinions of independent directors shall be fully considered. If independent directors have objections or reservations, such objections or reservations shall be clearly stated in the minutes of the board meeting; The Company has an Audit Committee, and such transactions shall be approved by one half or more of all members of the Audit Committee and submitted to the Board of Directors for a resolution. If there is no consent of one half or more of all members of the Audit Committee, such transactions may be approved by</u> 	<p>Paragraph 3; the original Article 9, Paragraph 4 has been moved to Article 11; and the original Article 9, Paragraph 5 has been moved to Article 12 with an adjustment of the text.</p>

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<p><u>the transaction amount.</u></p> <p>4. <u>Where the appraisal is given prior to the contract execution date, no more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; however, if the assessed present value for the same period is used and not more than 6 months have elapsed, an opinion letter may still be issued by the original professional appraiser.</u></p>	<p><u>two thirds or more of all directors instead thereof, where the resolution of the Audit Committee shall be clearly stated in the minutes of the board meeting. All members of the Audit Committee and all directors shall be counted by those actually in office.</u></p> <p>3. <u>Implementation unit</u> <u>When the Company acquires or disposes of intangible assets or their right-to-use assets or membership certificates, it shall be submitted for approval in accordance with the approval authority in the preceding subparagraph, and then the user department as well as the finance and finance and accounting department or the administrative department shall be in charge of the implementation thereof.</u></p> <p>4. <u>Expert evaluation opinion report</u> <u>When the Company has acquired or disposed of intangible assets or their right-of-use assets or membership certificates with the transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, it shall engage a certified public accountant prior to the date of occurrence of the transaction to provide an opinion regarding the reasonableness of the transaction price.</u></p> <p>5. <u>The calculation of the transaction amount referred to in this article shall be carried out in accordance with Article 12, Paragraph 1, Subparagraph 6; "within one year" shall refer to the year preceding the date of occurrence of the current transaction. Items for which an</u></p>	

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	<u>appraisal report from a professional appraiser or an accountant’s opinion letter has been obtained in accordance with these Handling Procedures shall not be required to be counted toward the transaction amount.</u>	
<p>Article 10 <u>Obtaining the expert opinion</u> <u>For the Company to acquire or dispose of marketable securities, it shall obtain the financial statements of the target company for the most recent period that have been certified or reviewed by a certified public accountant prior to the date of occurrence of the transaction to be used as reference for appraising the transaction price, unless the following conditions are met; in addition, where the transaction amount is 20 percent or more of the Company’s paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the transaction to provide an opinion regarding the reasonableness of the transaction price :</u></p> <ol style="list-style-type: none"> 1. <u>Acquisition of marketable securities with cash contributions through incorporation by promotion or by public offering in accordance with the law, and the entitlement manifested by the marketable securities so obtained is in equivalent proportion to the capital contribution.</u> 2. <u>Participation in the subscription of marketable securities issued at face value by the target company for cash capital increase in accordance with relevant laws and regulations.</u> 3. <u>Participation in the subscription of marketable securities issued by the 100% direct or indirect investment</u> 	<p>Article 10 <u>The handling procedures for acquiring or disposing of derivatives</u></p> <ol style="list-style-type: none"> 1. <u>Trading principles and policies</u> <ol style="list-style-type: none"> (1) <u>Types of trading</u> <u>The nature of derivatives trading that the Company engages in, according to its purpose, is divided into three types: non-transaction-oriented hedging trading, namely “non-transactional - non-hedge accounting” and “non-transactional - hedge accounting,” as well as transaction-oriented non-hedging trading, namely “transactional - other.”</u> (2) <u>Operational and risk avoidance strategies</u> <u>The purpose of engaging in derivatives trading shall be to avoid risks, and the trading products shall be selected mainly to avoid risks arising from the Company’s business operations. The trading counterparty shall also be selected to the greatest extent from the banks that usually has business dealings with the Company so as to avoid credit risks. Before foreign exchange operations, it is necessary to clearly define the trading type as to either financial operations for risk aversion or pursuit of investment income, which will be used as the basis for accounting entries.</u> (3) <u>Division of powers and responsibilities</u> <u>The finance and finance and</u> 	<p>The original Paragraph 4 of Article 7 has been moved to this article; the original Article 10, Paragraphs 1, 3, and 4 have been moved to Article 19; the original Article 10, Paragraph 2 moved to Article 20; the original Article 10, Paragraph 5, Subparagraphs 1 through 3 have been moved to Article 21, as well as the original Paragraph 3, Subparagraph 1 and Paragraph 5, Subparagraph 4 of Article 10 have been moved to Article 22 with an adjustment of</p>

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<p><u>company for cash capital increase, or participation in the subscription of marketable securities issued for cash capital increase by among 100% owned subsidiaries.</u></p> <p>4. <u>TWSE listed, TPEX listed and Emerging Stock Board listed marketable securities traded on the stock exchange market or over securities firms.</u></p> <p>5. <u>Domestic government bonds, and bonds under repurchase or reverse repurchase agreements.</u></p> <p>6. <u>Publicly offered funds.</u></p> <p>7. <u>Acquisition or disposal of TWSE listed (TPEX listed) stocks in accordance with the Taiwan Stock Exchange Corporation Rules Governing Purchase of Listed Securities by Reverse Auction or the Taipei Exchange Rules Governing Reverse Auction of TPEX Listed Securities or their respective auction regulations.</u></p> <p>8. <u>Participation in the subscription of stocks issued by domestic public companies for cash capital increase or the subscription of domestic corporate bonds (including bank debentures), where the marketable securities acquired do not belong to marketable securities in private placement.</u></p> <p>9. <u>Subscription of domestic privately offered funds prior to the establishment of the fund in accordance with Paragraph 1, Article 11 of the Securities Investment Trust and Consulting Act, or where for domestic privately offered funds subscribed or redeemed, the investment strategy has been specified in the trust contract that the investment scope shall be the same</u></p>	<p><u>accounting department of the Company is in charge of the derivatives trading. Its main tasks are as follows:</u></p> <p>1) <u>Strategy formulation for foreign exchange operations of the entire company.</u></p> <p>2) <u>In response to changes in the foreign exchange market, the finance and accounting department shall collect relevant information at any time, make judgements on the trend and make risk assessments, be familiar with financial products and regulatory requirements, then consider the Company's foreign exchange positions, and prepare operational strategy plans, which shall be the basis for risk avoidance after being approved by the general manager or chairman.</u></p> <p>3) <u>Calculate the risk exposure positions on a regular basis that have been realized or may occur in the future, and conduct various hedge trading according to the approval authority.</u></p> <p>4) <u>Verify transaction and settlement vouchers of various derivatives trading for the purpose of hedging, and handle the relevant accounting accordingly. Inquiries about transaction counterparties and agents by phone shall be carried out to ensure the correctness of the transaction content.</u></p> <p>(4) <u>Approval authority for the total contract amount and derivatives</u></p> <p>1) <u>Total contract amount:</u> <u>The finance and accounting department shall grasp the overall position of the Company, and may formulate strategies based on the forecast of changes in market</u></p>	<p>the text.</p>

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<p><u>as that in publicly offered funds except for securities margin trading and open positions held in securities-related products</u></p>	<p><u>conditions; The total contract amount of related operations shall not exceed 20% of the Company's net worth. If the contract amount exceeds the aforementioned limit, it shall be approved by the Board of Directors.</u></p> <p><u>2)Approval authority for derivatives:</u></p> <table border="1" data-bbox="686 533 1208 1155"> <thead> <tr> <th data-bbox="686 533 831 689"><u>Approval right</u></th> <th data-bbox="831 533 1007 689"><u>Authority limit per transaction</u></th> <th data-bbox="1007 533 1208 689"><u>Authority limit on net cumulative positions</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="686 689 831 1039"><u>Chairman</u></td> <td data-bbox="831 689 1007 1039"><u>NT\$80 million or more (to be reported to the Board of Directors afterwards)</u></td> <td data-bbox="1007 689 1208 1039"><u>Less than 20 % of the Company's net worth (to be reported to the Board of Directors afterwards)</u></td> </tr> <tr> <td data-bbox="686 1039 831 1155"><u>Board of Directors</u></td> <td data-bbox="831 1039 1007 1155"><u>NT\$100 million or more</u></td> <td data-bbox="1007 1039 1208 1155"><u>20 % of the Company's net worth</u></td> </tr> </tbody> </table> <p><u>(5) Performance evaluation</u></p> <p><u>1) "Non-transactional - non-hedge accounting" and "non-transactional - hedge accounting" derivatives:</u></p> <ol style="list-style-type: none"> <li data-bbox="727 1330 1208 1576">a. <u>The stop loss and take profit target is set according to the type of derivatives trading, which target shall be included in the performance evaluation and reviewed regularly.</u> <li data-bbox="727 1576 1208 1823">b. <u>The budget target that trading personnel try their best to achieve according to the type of the financial product determined, which target will be used as the basis for performance evaluation.</u> <li data-bbox="727 1823 1208 2038">c. <u>The settlement staff member shall calculate the net position of the risk exposure to the management on a monthly basis as a basis for management and</u> 	<u>Approval right</u>	<u>Authority limit per transaction</u>	<u>Authority limit on net cumulative positions</u>	<u>Chairman</u>	<u>NT\$80 million or more (to be reported to the Board of Directors afterwards)</u>	<u>Less than 20 % of the Company's net worth (to be reported to the Board of Directors afterwards)</u>	<u>Board of Directors</u>	<u>NT\$100 million or more</u>	<u>20 % of the Company's net worth</u>	
<u>Approval right</u>	<u>Authority limit per transaction</u>	<u>Authority limit on net cumulative positions</u>									
<u>Chairman</u>	<u>NT\$80 million or more (to be reported to the Board of Directors afterwards)</u>	<u>Less than 20 % of the Company's net worth (to be reported to the Board of Directors afterwards)</u>									
<u>Board of Directors</u>	<u>NT\$100 million or more</u>	<u>20 % of the Company's net worth</u>									

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	<p><u>reference.</u></p> <p>2) <u>“Transactional - other” derivatives: Prepare monthly net profit and loss statements each month for the management’s reference.</u></p> <p>3) <u>Determination on the upper limit of losses</u></p> <p>a. <u>The purpose of hedge trading is to avoid risks. When the total contract loss exceeds 10% of the total contract amount or the individual contract loss exceeds 5% of the undertaking amount, it shall be immediately submitted to the chairman and reported to the Board of Directors to discuss necessary countermeasures; when the amount of individual contract losses does not reach 5% of the undertaking amount, it shall be authorized to the chairman to deal with and to discuss necessary countermeasures.</u></p> <p>b. <u>If it is a transaction-oriented non-hedging trading, the single stop loss amount at any point in time shall be at 3% of the undertaking amount as the basis of implementation, and the overall stop loss amount shall be at 3% of the undertaking amount as the stop loss target. Therefore, if the loss exceeds such stop loss amounts, appropriate contingency measures such as early settlement or backwashing shall be taken so to prevent extended losses.</u></p> <p>2. <u>Risk management measures</u></p> <p>(1) <u>Credit risk management: Since the market is affected by various factors, it is easy to cause operational risks of derivatives.</u></p>	

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	<p><u>Therefore, the market risk management shall be carried out according to the following principles:</u></p> <p><u>1) Trading counterparty: mainly based on renowned financial institutions at home and abroad.</u></p> <p><u>2) Trading products: limited to products provided by the renowned financial institutions at home and abroad.</u></p> <p><u>3) Trading amount: The unwritten-off trading amount of the same trading counterparty shall not exceed that specified in the approval authority chart, except for those approved by the general manager.</u></p> <p><u>(2) Market risk management: Mainly based on the open foreign exchange market provided by banks.</u></p> <p><u>(3) Liquidity risk management: In order to ensure market liquidity, the choice of financial products shall be based on high liquidity (that is, it can be squared in the market at any time). The financial institution commissioned to carry out the transaction shall have sufficient information and the ability to trade in any market at any time.</u></p> <p><u>(4) Cash flow risk management In order to ensure the stability of the Company's working capital turnover, the Company's source of funds for derivatives trading is limited to its own funds, and the Company shall take into account the funding needs of the forecasted cash receipts and payments for the next three months to determine on the operational amount.</u></p> <p><u>(5) Operational risk management</u></p> <p><u>1) The authorized quota, operational procedures and their being included</u></p>	

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	<p><u>in the internal audit of Company shall be strictly followed to avoid operational risks.</u></p> <p>2) <u>Derivatives trading personnel shall not concurrently serve as other operators for confirmation or settlement, and vice versa.</u></p> <p>3) <u>Risk measurement, supervision and control personnel shall respectively belong to different departments from the personnel mentioned in the preceding subparagraph, and shall report to the Board of Directors or to senior executives who are not in charge of transactions or not responsible for position decision-making.</u></p> <p>4) <u>Positions held in derivatives trading shall be evaluated at least once a week; however, hedge trading that is required for business purposes shall be evaluated at least twice a month, and the evaluation report shall be sent to the senior executive authorized by the Board of Directors.</u></p> <p>(6) <u>Product risk management: Internal trading personnel shall have complete and correct professional knowledge of financial products, and banks are required to fully disclose risks so as to avoid the risk of misusing financial products.</u></p> <p>(7) <u>Legal risk management: Documents to be signed with financial institutions shall be reviewed by specialized personnel in foreign exchange and legal affairs or legal advisors before they can be formally executed so as to avoid legal risks.</u></p> <p>3. <u>Internal audit system</u></p> <p>(1) <u>Internal auditors shall regularly understand the adequacy of the</u></p>	

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	<p><u>internal control of derivatives trading, check the trading department's compliance with the Handling Procedures for Derivatives Trading on a monthly basis, analyze the trading cycle, and prepare an audit report. If major violations are found, the Audit Committee shall be notified thereof in writing.</u></p> <p><u>(2) The internal auditors shall file the audit report together with the annual audit status of the internal audit operations with the competent authority before the end of February of the following year, and shall file the improvement status of abnormal items with the competent authority for recordation no later than the end of May of the following year.</u></p> <p><u>4. Periodic evaluation method</u> <u>The Board of Directors shall authorize senior executives to regularly supervise and evaluate whether the derivatives trading is conducted in accordance with the trading procedures formulated by the Company, and whether the risks assumed are within the allowable range for undertaking. When abnormalities are indicated in the market price evaluation report (for example, the position held has exceeded the loss limit), it shall be immediately reported to the Board of Directors and corresponding measures shall be taken.</u></p> <p><u>5. Principles of supervision and management of the Board of Directors when the Company engages in derivatives trading</u> <u>(1) The Board of Directors shall designate senior executives to pay attention to the supervision and control of derivatives trading risks at</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>all times. The management principles shall be as follows:</u></p> <p><u>1) Regularly evaluate whether the risk management measures currently in use are appropriate and are actually handled in accordance with these Handling Procedures as well as the Handling Procedures for Derivatives Trading formulated by the Company.</u></p> <p><u>2) Supervise trading as well as profit and loss status, take necessary countermeasures when any abnormalities are found, and report such to the Board of Directors immediately. If the Company has independent directors in place, there shall be independent directors attending board meetings to express their opinions.</u></p> <p><u>(2) Regularly evaluate whether the performance of derivatives trading conforms to the established business strategy and whether the risks assumed are within the acceptable range of the Company.</u></p> <p><u>(3) When the Company engages in derivatives trading, if the Company has authorized relevant personnel to handle derivatives trading in accordance with the Handling Procedures for Derivatives Trading it has formulated, such trading shall be reported afterwards to the most upcoming board meeting.</u></p> <p><u>(4) When the Company engages in derivatives trading, it shall establish a memorandum book and record in detail the type and amount of the derivatives trading engaged in, the date of approval by the Board of Directors, and items to be carefully evaluated in accordance with Subparagraph (5) of Paragraph 2 and</u></p>	

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	<p><u>Subparagraph (1) and Subparagraph (2), Paragraph 5 of this article in the memorandum book for future reference.</u></p>	
<p><u>Article 11 Expert evaluation opinion report</u> <u>When the Company has acquired or disposed of intangible assets or their right-of-use assets or membership certificates with the transaction amount reaching 20% of the Company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, it shall engage a certified public accountant prior to the date of occurrence of the transaction to provide an opinion regarding the reasonableness of the transaction price.</u></p>	<p><u>Article 11 The handle procedures for mergers, demergers, acquisitions or share transfers</u></p> <p><u>1. Evaluation and operating procedures</u> <u>(1) When the Company conducts a merger, demerger, acquisition, or transfer of shares, it is advisable to invite lawyers, accountants, underwriters and others to jointly discuss the estimated timetable for legal procedures, and organize a project team to implement the legal procedures. It is also advisable, prior to convening the Board of Directors meeting for a resolution, to engage the accountant, lawyer, or securities underwriter to give an opinions on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness to be issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, or in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.</u> <u>(2) The Company conducting the merger, demerger, acquisition, or transfer of shares shall prepare a public report addressed to</u></p>	<p>The original Article 9, Paragraph 4 has been moved to this article; the original Article 11, Paragraph 1, Subparagraph 1 has been moved to Article 23; the original Article 11, Paragraph 1, Subparagraph 2 has been moved to Article 24 with an adjustment of the text; the original Article 11, Paragraph 2, Subparagraphs 1 to 2 have been moved to Article 25 with an adjustment of the text; the original Article 11, Paragraph 2, Subparagraph 3 has been moved to Article 26; the</p>

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	<p><u>shareholders detailing important contractual content and related matters prior to the shareholders meeting, together with the expert opinion referred to in Subparagraph 1, Paragraph 1 of this article, to be sent to shareholders along with the shareholders meeting notice to serve as the reference in deciding whether to approve the merger, demerger, or acquisition. However, this provision shall not apply where other laws prescribe the exemption of a company from convening a shareholders meeting to approve the merger, demerger, or acquisition. In addition, if the shareholders meeting of any party participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restrictions, or the proposal is vetoed by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately explain to the public the reasons thereof, the follow-up measures, and the preliminary date of the next shareholders meeting.</u></p> <p><u>2. Other matters to be paid attention to</u></p> <p><u>(1) Date of Board of Directors meetings:</u></p> <p><u>The company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting on the day of the transaction to resolve matters related to the merger, demerger, or acquisition, unless other laws provide otherwise or it is due to special circumstances where the Financial Supervisory Commission has been notified</u></p>	<p>original Article 11, Paragraphs 2 and 4 have been moved to Article 27; the original Article 11, Paragraphs 2 and 5 have been moved to Article 28; the original Article 11, Paragraph 2, Subparagraph 7 has been moved to Article 29; and the original Article 11, Paragraph 2, Subparagraph 7 was moved to Article 30.</p>

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	<p><u>thereof in advance and has given its consent thereto. A company participating in a transfer of shares shall convene a Board of Directors meeting on the day of the transaction, unless other laws provide otherwise or it is due to special circumstances where the Financial Supervisory Commission has been notified thereof in advance and has given its consent thereto.</u></p> <p><u>(2) Documents to be prepared</u> <u>When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall prepare a full written record of the following materials to be retained for 5 years for future reference:</u></p> <p><u>1) Basic personnel information: including the titles, names, and national ID card numbers (or passport numbers in the case of foreign nationals) of all persons participating in the plan or implementation of any merger, demerger, acquisition, or transfer of shares prior to disclosure of such new.</u></p> <p><u>2) Dates of important events: including the signing of any letter of intent or memorandum of understanding, the commissioning of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.</u></p> <p><u>3) Important documents and minutes: including the merger, demerger, acquisition, or share transfer plans, any letter of intent or memorandum of understanding, important contracts, minutes of Board of Directors meetings, etc.</u> <u>When participating in a merger,</u></p>	

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	<p><u>demerger, acquisition, or transfer of shares, the Company shall, within 2 days from the date of the resolution adopted by the Board of Directors, file the materials set out in (2)-1 and (2)-2 of this paragraph in the prescribed format and via the Internet information system with the Financial Supervisory Commission for recordation.</u></p> <p><u>Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is neither listed on an exchange market nor has its shares traded on an OTC market, the Company shall sign an agreement with such a company and shall proceed therewith in accordance with the provisions of the preceding two items of this paragraph.</u></p> <p><u>(3) Advance confidentiality commitment:</u> <u>Every person participating in or aware of the plan for the merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality, shall not disclose the content of the plan prior to public disclosure of the information, and shall not either trade, in his/her own name or under the name of another person, in any stock or other equity securities of any company related to the plan for the merger, demerger, acquisition, or transfer of shares.</u></p> <p><u>(4) Principles for setting and changing the share exchange ratio or purchase price:</u> <u>The company participating in the merger, demerger, acquisition, or transfer of shares shall engage the accountant, lawyer, or securities</u></p>	

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	<p><u>underwriter to give opinions on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholders meeting. In principle, the share exchange ratio or purchase price shall not be changed arbitrarily, unless the conditions for making changes have been stipulated in the contract and have been disclosed to the public. The conditions for changing the share exchange ratio or purchase price are as follows:</u></p> <ol style="list-style-type: none"> <u>1) Undertaking cash capital increase, issuance of convertible corporate bonds, issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity based marketable securities.</u> <u>2) An act, such as the disposal of major assets, that affects the Company's finance, accounting and business.</u> <u>3) An event, such as a major disaster or major change in technology, that affects shareholder equity or the share price.</u> <u>4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stocks.</u> <u>5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</u> <u>6) Other terms and conditions that the contract stipulates to allow changes, which have been publicly disclosed.</u> <p><u>(5) Content to be contained in the</u></p>	

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	<p><u>contract: The contract for participation by a company in a merger, demerger, acquisition, or transfer of shares, in addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, shall also clearly state the following items:</u></p> <ol style="list-style-type: none"> <u>1) Handling of breach of contract.</u> <u>2) The handling principles for the equity-based marketable securities previously issued or treasury stocks previously bought back by any company that is extinguished in a merger or that is demerged.</u> <u>3) The amount of treasury stocks participating companies may buy back under the law after the record date for calculation of the share exchange ratio, and the principles for the handling thereof.</u> <u>4) The handling method for changes in the number of participating entities or companies.</u> <u>5) The preliminary progress schedule for the plan execution, and anticipated completion schedule.</u> <u>6) The scheduled date for convening the shareholders meeting as required by the law and regulations in case the plan fails to be completed before the deadline, and the relevant procedures.</u> <u>(6) When the number of companies participating in the merger, demerger, acquisition or transfer of share changes: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends to further carry out a merger, demerger, acquisition, or share transfer with another company.</u> 	

Revised provisions	Current provisions	Explanations
	<p><u>all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company’s shareholders meeting has adopted a resolution authorizing its board of directors to alter the limit of authority, the participating company may be exempted from convening another shareholders meeting to resolve on the matter anew.</u></p> <p><u>(7) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with such a company, and shall proceed in accordance with the requirements for the date of convening a board meeting in Subparagraph (1), Paragraph 2 of this article, the advance confidentiality commitment in Subparagraph (3), and changes in the number of companies participating in the merger, demerger, acquisition or share transfers in Subparagraph (6).</u></p>	
<p>Article 12 <u>The calculation of the transaction amount referred to in the preceding three articles shall be carried out in accordance with Article 31, Paragraph 1, Subparagraph 6; “within one year” shall refer to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or an accountant’s opinion letter has been obtained in accordance with these Handling Procedures shall not be</u></p>	<p>Article 12 <u>Information disclosure procedures</u></p> <p>1. <u>Items to be announced and filed, and requirements for announcements and filing</u></p> <p>(1)<u>The acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-</u></p>	<p>The original Article 6, Paragraph 5; the original Article 7, Paragraph 6; the original Article 9, Paragraph 5 have all been moved to this article with an adjustment of</p>

Revised provisions	Current provisions	Explanations
<p><u>required to be counted toward the transaction amount.</u></p>	<p><u>in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; however, this shall not apply to trading of domestic government bonds or bonds under repurchase and reverse repurchase agreements, or subscription or redemption of money market funds issued by domestic marketable securities investment trust enterprises.</u></p> <p><u>(2) Undertaking the merger, demerger, acquisition, or transfer of shares.</u></p> <p><u>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the handling procedures formulated by the Company.</u></p> <p><u>(4) Acquisition or disposal of equipment or its right-of-use assets for business use, and the transaction counterparty is not a related party, with the transaction amount meeting any of the following criteria:</u></p> <p><u>1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</u></p> <p><u>2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</u></p> <p><u>(5) Asset transactions other than those mentioned in the preceding four subparagraphs, disposal of creditor's rights by financial institutions, or investment in the Mainland Area, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances shall not apply to the foregoing provision:</u></p>	<p>the text; the original Paragraphs 1-2 and Article 12, Paragraph 3, Subparagraphs 1-4 have been moved to Article 31; and the original Article 12, Paragraph 3, Subparagraph 5 has been moved to Article 32.</p>

Revised provisions	Current provisions	Explanations
	<p><u>1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p><u>2) Trading of bonds under repurchase and reverse repurchase agreements, or subscription or redemption of money market funds issued by domestic marketable securities investment trust enterprises.</u></p> <p><u>(6) The transaction amount in the preceding five subparagraphs shall be calculated as set out below, “within one year” shall refer to the year preceding the date of occurrence of the current transaction. Items that have been announced in accordance with the regulations shall not be required to be counted toward the transaction amount.</u></p> <p><u>1) The amount of any individual transaction.</u></p> <p><u>2) The cumulative transaction amount of acquisitions or disposals of the same nature of underlying asset with the same transaction counterparty within one year.</u></p> <p><u>3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or its right-of-use assets of the same development project within one year.</u></p> <p><u>4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same marketable securities within one year.</u></p> <p><u>2. Time limit for announcements and filings</u> <u>When the Company acquires or</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>disposes of assets where there are items that should be announced as specified in Paragraph 1 of this article and the transaction amount meets the requirement for making an announcement and filing in this article, it shall make the announcement and filing within two days from the date of the occurrence of the transaction.</u></p> <p><u>3. Announcement and filing procedures</u></p> <p><u>(1) The Company shall make announcements and filing of the relevant information on the website designated by the Financial Supervisory Commission.</u></p> <p><u>(2) The Company shall compile monthly reports on the status of derivatives trading engaged in as of the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format onto the information reporting website designated by the Financial Supervisory Commission by the 10th day of each month.</u></p> <p><u>(3) When the Company at the time of making public announcements makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and filed in their entirety within two days from the date of getting aware of such error or omission.</u></p> <p><u>(4) The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, memorandum books, appraisal reports, as well as accountant,</u></p>	

Revised provisions	Current provisions	Explanations
	<p><u>attorney, and securities underwriter opinion letters at the Company, where they shall be retained for at least 5 years except it is otherwise provided by the law.</u></p> <p><u>(5) Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and filed in accordance with the preceding article, an announcement and filing of the relevant information shall be made on the information reporting website designated by the Financial Supervisory Commission within 2 days from the date of occurrence of the transaction:</u></p> <p><u>1) Changes, termination, or rescission of a contract signed in regard to the original transaction.</u></p> <p><u>2) The merger, demerger, acquisition, or transfer of shares is not completed according to the predetermined schedule set forth in the contract.</u></p> <p><u>3) Changes in the content that had been previously announced and filed.</u></p>	
<p>Article 13 <u>Where the Company acquires or disposes of assets through court auction procedures, the evidentiary document issued by the court may be substituted for the appraisal report or the accountant’s opinion letter.</u></p>	<p>Article 13 <u>The subsidiary of the Company shall proceed in compliance with the following regulations:</u></p> <p><u>1. The subsidiary shall also formulate the “Handling Procedures for Acquisition or Disposal of Assets” in accordance with the relevant provisions of the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies.”</u></p> <p><u>2. When the subsidiary acquires or disposes of assets, it shall follow these Handling Procedures.</u></p> <p><u>3. If the subsidiary is not a domestic public company, where its acquisition or disposal of assets</u></p>	<p>The original Article 5, Paragraph 2 has been moved to this article, and the original Article 13 has been moved to Article 34.</p>

Revised provisions	Current provisions	Explanations
	<p><u>meets the requirement for making an announcement and filing as stipulated in Article 12 of the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies,” the Company shall carry out the announcement and filing on behalf of the subsidiary.</u></p> <p>4. <u>With regard to the requirements for making the announcement and filing by the subsidiary, the so-called the amount having reached the paid-in capital or total assets of the Company shall be based on the paid-in capital or total assets of the Company.</u></p>	
<p>Article 14 <u>Related party transactions</u> <u>When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to following the handling procedures for acquisition or disposal of real property, equipment or its right-of-use assets in Article 6 and relevant resolution procedures subject to the following requirements as well as evaluating the reasonableness of transaction terms and conditions, if the transaction amount is 10 percent or more of the Company’s total assets, the Company shall also obtain an appraisal report from a professional appraiser or an accountant’s opinion letter in accordance with the provisions of the preceding section. In addition, when judging whether the transaction counterparty is a related party, in addition to paying attention to the legal form thereof, the substantive relationship thereof shall also be considered.</u></p>	<p>Article 14 <u>Penalty</u> <u>When the employee of the Company who undertakes the acquisition and disposal of assets is in violation of the provisions of these Handling Procedures, it shall be reported for assessment on a regular basis in accordance with the Company’s employee work rules, and shall be subject to disciplines according to the seriousness of the circumstances.</u></p>	<p>The original Article 8, Paragraph 1 has been moved to this article with an adjustment of the text, and the original Article 14 has been moved to Article 33.</p>
<p>Article 15 <u>Related party evaluation and operating procedures</u> <u>When the Company intends to acquire</u></p>	<p>Article 15 <u>Implementation and revision</u> <u>The Company’s “Handling Procedures for Acquisition or Disposal of Assets”</u></p>	<p>The original Article 8, Paragraph 2</p>

Revised provisions	Current provisions	Explanations
<p><u>or dispose of real property or its right-of-use assets from or to a related party, or when it intends to acquire or dispose of assets other than real property or its right-of-use assets from or to a related party where the transaction amount is 20 percent or more of the paid-in capital of the Company, or 10 percent or more of the Company's total assets, or NT\$300 million or more, the Company shall not proceed to enter into a transaction contract and make a payment until the following materials have been approved by the Audit Committee, as well as submitted to and approved by the Board of Directors, except for trading of domestic government bonds or bonds under repurchase or reverse repurchase agreements, subscription or redemption of money market funds issued by domestic securities investment trust enterprises:</u></p> <ol style="list-style-type: none"> 1. <u>The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</u> 2. <u>The reason for selecting the related party as a transaction counterparty.</u> 3. <u>With respect to the acquisition of real property or its right-of-use assets from a related party, relevant materials for evaluating the reasonableness of the intended transaction terms and conditions in accordance with Paragraph (1) and Paragraph (4), Paragraph 3 of this article.</u> 4. <u>The date and price of the original acquisition by the related party, the transaction counterparty, the relationship between that transaction counterparty and the Company and the related party, and other matters.</u> 5. <u>Monthly forecasted cash flow statements for the year commencing</u> 	<p><u>shall be approved by the Audit Committee, further approved by the Board of Directors, and then submitted to the shareholders meeting for approval. The same shall apply to the revision thereof.</u></p> <p><u>After the Company has appointed independent directors, when submitting the acquisition or disposal of assets transactions to the Board of Directors for discussion in accordance with the provisions of these Handling Procedures, the opinions of independent directors shall be fully considered. If independent directors have objections or reservations, such objections or reservations shall be clearly stated in the minutes of the board meeting.</u></p> <p><u>The resolution of the Audit Committee referred to in Paragraph 1 shall be approved by one half or more of all members of the Audit Committee. If the proposal is not approved by one half or more of all members of the Audit Committee as referred to in the preceding paragraph, it may be implemented with the consent of two thirds or more of all directors, for which the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.</u></p> <p><u>All members of the Audit Committee referred to in Paragraph 4 and all directors referred to in the preceding paragraph shall be counted by those actually in office.</u></p>	<p>has been moved to this article with an adjustment of the text, and the original Paragraph 15 has been moved to Article 6.</p>

Revised provisions	Current provisions	Explanations
<p><u>from the anticipated month of signing the contract, and evaluation of the necessity of the transaction as well as the reasonableness of the funds utilization.</u></p> <p>6. <u>The appraisal report issued by the professional appraiser or the accountant’s opinion letter obtained in accordance with the preceding article.</u></p> <p>7. <u>Restrictive terms and other important agreements and matters associated with the current transaction.</u></p> <p><u>With respect to the transactions set out below that are conducted between the Company and its parent company or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company’s Board of Directors may authorize the chairman to decide such matters in advance when the transaction amount is within NT\$100 million provided that such a decision shall be subsequently submitted to the most upcoming board meeting for recognition:</u></p> <p>1. <u>Acquisition or disposal of equipment or its right-of-use assets held for business use.</u></p> <p>2. <u>Acquisition or disposal of real property right-of-use assets held for business use.</u></p> <p><u>When the Company submits the acquisition or disposal of assets transaction to the Board of Directors for discussion in accordance with the provisions of these Handling Procedures, it shall fully consider the opinions of independent directors. If independent directors have objections or reservations, such objections or reservations shall be clearly stated in the</u></p>		

Revised provisions	Current provisions	Explanations
<p><u>minutes of the board meeting; As the Company has the Audit Committee in place, such transactions shall be approved by one half or more of all members of the Audit Committee and submitted to the Board of Directors for a resolution. If such transactions are not approved by one half or more of all members of the Audit Committee, they may be approved by two thirds or more of all directors instead thereof, where the resolution of the Audit Committee shall be clearly stated in the minutes of the board meeting. All members of the Audit Committee and all directors shall be counted by those actually in office. If the Company engages in the transaction set out in Paragraph 2 with a subsidiary that is not a domestic public company where the transaction amount is 10 percent or more of the Company's total assets, the Company shall submit all the materials set out in Paragraph 2 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction shall not apply to transactions between the Company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amount referred to in Paragraph 2 and the preceding paragraph shall be made in accordance with Subparagraph 6, Paragraph 1 of Article 12; "within one year" shall refer to the year preceding the date of occurrence of the current transaction. The part that has been submitted to the shareholders meeting in accordance with these Handling Procedures, approved by the Audit Committee, as well as submitted to and approved by the Board of Directors shall not be required to be counted toward the</u></p>		

Revised provisions	Current provisions	Explanations
<p><u>transaction amount.</u></p>		
<p><u>Article 16 Evaluation of reasonableness of transaction costs</u> <u>For the Company to acquire real property or its right-of-use assets from a related party, it shall evaluate the reasonableness of the transaction costs by the following methods:</u></p> <ol style="list-style-type: none"> 1. <u>Based upon the related party’s transaction price plus necessary interest on the funding as well as the cost to be borne by the buyer under the law. The “necessary interest cost of the funding” shall be calculated based on the weighted average interest rate on the borrowing made in the year the Company purchases the asset, provided that it shall not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</u> 2. <u>Total appraised value of the loan taken out from a financial institution on the subject matter where the related party has previously created a mortgage on the said subject matter as security for a loan; provided that the actual cumulative amount loaned by the financial institution on the said subject matter shall have been 70 percent or more of the appraised loan value and the loan period shall have elapsed 1 year or more. However, this shall not apply where the financial institution is a related party to one of the transaction counterparties.</u> <p><u>Where the land and structure thereupon are combined as the same subject matter in the purchase or lease transaction, the transaction cost for the land and the structure may be separately appraised by either of the methods set out in the</u></p>	<p><u>Article 16 Supplementary provisions</u></p> <ol style="list-style-type: none"> (1) <u>If there are any matters not covered in these Handling Procedures, they shall be dealt with in accordance with relevant laws and regulations.</u> (2) <u>These Handling Procedures were formulated on May 16, 2006.</u> (3) <u>The first revision of these Handling Procedures was made on June 14, 2007.</u> (4) <u>The second revision of these Handling Procedures was made on Mar 12, 2008.</u> (5) <u>The third revision of these Handling Procedures was made on June 15, 2011.</u> (6) <u>The fourth revision of these Handling Procedures was made on June 6, 2012.</u> (7) <u>The fifth revision of these Handling Procedures was made on June 12, 2014.</u> (8) <u>The sixth revision of these Handling Procedures was made on June 13, 2017.</u> (9) <u>The seventh revision of these Handling Procedures was made on June 12, 2018.</u> (10) <u>The eighth revision of these Handling Procedures was made on June 13, 2019.</u> (11) <u>The ninth revision of these Handling Procedures was made on July 22, 2021.</u> (12) <u>The tenth revision of these Handling Procedures was made on June 8, 2022.</u> 	<p>The original Article 8, Paragraph 3, Subparagraph 1-3, have been moved to this article with an adjustment of the text, and the original Article 16 has been moved to Article 36.</p>

Revised provisions	Current provisions	Explanations
<p><u>preceding paragraph.</u></p> <p><u>When the Company intends to acquire real property or its right-of-use assets from a related party and thus appraises the cost of the real property or its right-of-use assets in accordance with Subparagraph 1 and Subparagraph 2, Paragraph 3 of this article, it shall also engage an accountant to re-examine the appraisal and render a specific opinion letter.</u></p> <p><u>When the Company acquires real property or its right-to-use assets from related parties where one of the following circumstances occurs, it shall be handled in accordance with the relevant evaluation and operating procedures in Paragraphs 1 and 2 of this article, and the provisions of Subparagraphs (1), (2) and (3), Paragraph 3 of this article regarding the evaluation of reasonableness of the transaction cost shall not apply:</u></p> <ol style="list-style-type: none"> <u>1. The related party has acquired the real property or its right-of-use assets through inheritance or as a gift.</u> <u>2. More than 5 years have elapsed from the time the related party signed the contract for the acquisition of the real property or its right-of-use assets to the signing date for the current transaction.</u> <u>3. The real property has been acquired through signing of a joint construction contract with the related party.</u> <u>4. The real property right-of-use assets for business use have been acquired by the Company with its parent company or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</u> 		

Revised provisions	Current provisions	Explanations
<p>Article 17</p> <p><u>When the Company intends to acquire real property or its right-of-use assets from related parties and all the appraisal results of the evaluation conducted in accordance with Subparagraph 1 and Subparagraph 2, Paragraph 3 of this article indicate lower prices than the transaction price, it shall be in accordance with Subparagraph 5, Paragraph 3 of this article. However, this shall not apply in the following circumstances where objective evidence is provided together with the specific opinion on the reasonableness being obtained from the professional real property appraiser and accountant:</u></p> <p>1. <u>Where the related party has acquired undeveloped land or leased land for development, it may provide evidence to prove that one of the following conditions is met:</u></p> <p>(1) <u>When the undeveloped land is appraised by the methods specified in the preceding article and the structure is appraised based on the related party's construction cost plus reasonable construction profit where the total amount exceeds the actual transaction price. The so-called "reasonable construction profit" shall be based on the average gross operating profit margin of the related party's construction department over the most recent 3 years or the gross profit margin of the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</u></p> <p>(2) <u>Other transaction cases completed by unrelated parties within one year involving other floors of the same subject property or its neighborhood</u></p>		<p>The original Article 8, Paragraph 3, Subparagraph 4 has been moved to this article with an adjustment of the text.</p>

Revised provisions	Current provisions	Explanations
<p><u>covering a similar area, where the transaction terms and conditions have been found to be equivalent after the evaluation of reasonable price spread in terms of floors or districts according to real property sale or lease market practices.</u></p> <p>2. <u>Where the Company has provided evidence to prove that with regard to the real property acquired or the real property right-of-use assets obtained through leasing from a related party, the transaction terms and conditions are equivalent to those in other transaction cases completed by unrelated parties within one year covering a similar area.</u></p> <p><u>The aforementioned other transaction cases in the neighborhood shall, in principle, refer to those completed on the same or an adjacent block and within a distance of no more than 500 meters from the transaction subject matter or with similar assessed present value; the so-called covering a similar area shall, in principle, refer to the property in other transaction cases completed by unrelated parties covering an area of no less than 50 percent of the subject property in the intended transaction; “within one year” shall refer to the year preceding the date of occurrence of this current transaction of acquisition of the real property or its right-of-use assets.</u></p>		
<p>Article 18</p> <p><u>Where the Company acquires real property or its right-of-use assets from a related party and the results of appraisals conducted in accordance with Paragraph 3, Subparagraph 1 and Subparagraph 2, of this article indicate a price lower than the transaction price, the following matters shall be carried out:</u></p> <p>1. <u>A special reserve shall be set aside</u></p>		<p>The original Article 8, Paragraph 3, Subparagraphs 5 and 7 have been moved to this article with an adjustment of the text.</p>

Revised provisions	Current provisions	Explanations
<p><u>in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the transaction price of the real property or its right-of-use assets and the appraised cost, which shall not be distributed or used for capital increase and distribution of shares. Where the public company adopts the equity method to account for its investment in the Company, a special reserve shall also be set aside according to its shareholding ratio therein in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act.</u></p> <p>2. <u>The Audit Committee shall proceed therewith in accordance with the provisions of Article 218 of the Company Act.</u></p> <p>3. <u>The handling status pursuant to Items 1 and 2, Subparagraph (5), Paragraph 3 of this subparagraph shall be reported to the shareholders meeting, and the details of the transaction shall also be disclosed in the annual report and investment prospectus.</u></p> <p><u>Where the Company and the public company adopting the equity method to evaluate its investment in the Company have set aside a special reserve pursuant to the following provisions, the special reserve may only be utilized after the asset it purchased or leased at a premium has been recognized for a loss on decline in the market value or has been disposed of, or the lease contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there is nothing unreasonable about the</u></p>		

Revised provisions	Current provisions	Explanations
<p><u>transaction, which has also been approved by the Financial Supervisory Commission. When the Company has acquired real property or its right-of-use assets from a related party where other evidence indicates that the acquisition is not an arm’s length transaction, it shall also be handled in accordance with the preceding 2 paragraphs.</u></p>		
<p><u>Article 19 Procedures for Handling the Acquisition or Disposal of Derivatives</u></p> <p><u>1. Trading principles and policies</u></p> <p><u>(1) Types of trading</u></p> <p><u>The nature of derivatives trading that the Company engages in, according to its purpose, is divided into three types: non-transaction-oriented hedging trading, namely “non-transactional – non-hedge accounting” and “non-transactional – hedge accounting,” as well as transaction-oriented non-hedging trading, namely “transactional – other.”</u></p> <p><u>(2) Operational and risk avoidance strategies</u></p> <p><u>The purpose of engaging in derivatives trading shall be to avoid risks, and the trading products shall be selected mainly to avoid risks arising from the Company’s business operations. The trading counterparty shall also be selected to the greatest extent from the banks that usually has business dealings with the Company so as to avoid credit risks. Before foreign exchange operations, it is necessary to clearly define the trading type as to either financial operations for risk aversion or pursuit of investment income, which will be used as the basis for accounting entries.</u></p> <p><u>(3) Division of powers and</u></p>		<p>The original Article 10, Paragraph 1, Subparagraphs 3-4 have been moved to this article.</p>

Revised provisions	Current provisions	Explanations
<p><u>responsibilities</u></p> <p><u>The finance and finance and accounting department of the Company is in charge of the derivatives trading. Its main tasks are as follows:</u></p> <p><u>1)Strategy formulation for foreign exchange operations of the entire company.</u></p> <p><u>2) In response to changes in the foreign exchange market, the finance and accounting department shall collect relevant information at any time, make judgements on the trend and make risk assessments, be familiar with financial products and regulatory requirements, then consider the Company’s foreign exchange positions, and prepare operational strategy plans, which shall be the basis for risk avoidance after being approved by the general manager or chairman.</u></p> <p><u>3) Calculate the risk exposure positions on a regular basis that have been realized or may occur in the future, and conduct various hedge trading according to the approval authority.</u></p> <p><u>4) Verify transaction and settlement vouchers of various derivatives trading for the purpose of hedging, and handle the relevant accounting accordingly. Inquiries about transaction counterparties and agents by phone shall be carried out to ensure the correctness of the transaction content.</u></p> <p><u>(4) Approval authority for the total contract amount and derivatives</u></p> <p><u>1) Total contract amount:</u></p> <p><u>The finance and accounting department shall grasp the overall</u></p>		

Revised provisions	Current provisions	Explanations									
<p><u>position of the Company, and may formulate strategies based on the forecast of changes in market conditions; The total contract amount of related operations shall not exceed 20% of the Company's net worth. If the contract amount exceeds the aforementioned limit, it shall be approved by the Board of Directors.</u></p> <p><u>2) Approval authority for derivatives:</u></p> <table border="1" data-bbox="129 701 655 1305"> <thead> <tr> <th data-bbox="129 701 276 860"><u>Approval right</u></th> <th data-bbox="276 701 464 860"><u>Authority limit per transaction</u></th> <th data-bbox="464 701 655 860"><u>Authority limit on net cumulative positions</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="129 860 276 1189"><u>Chairman</u></td> <td data-bbox="276 860 464 1189"><u>NT\$80 million or more (to be reported to the Board of Directors afterwards)</u></td> <td data-bbox="464 860 655 1189"><u>Less than 20 % of the Company's net worth (to be reported to the Board of Directors afterwards)</u></td> </tr> <tr> <td data-bbox="129 1189 276 1305"><u>Board of Directors</u></td> <td data-bbox="276 1189 464 1305"><u>NT\$100 million or more</u></td> <td data-bbox="464 1189 655 1305"><u>20 % of the Company's net worth</u></td> </tr> </tbody> </table>	<u>Approval right</u>	<u>Authority limit per transaction</u>	<u>Authority limit on net cumulative positions</u>	<u>Chairman</u>	<u>NT\$80 million or more (to be reported to the Board of Directors afterwards)</u>	<u>Less than 20 % of the Company's net worth (to be reported to the Board of Directors afterwards)</u>	<u>Board of Directors</u>	<u>NT\$100 million or more</u>	<u>20 % of the Company's net worth</u>		
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<u>Board of Directors</u>	<u>NT\$100 million or more</u>	<u>20 % of the Company's net worth</u>									
<p><u>(5) Performance evaluation</u></p> <p><u>1) "Non-transactional – non-hedge accounting" and "non-transactional – hedge accounting" derivatives:</u></p> <p><u>a. The stop loss and take profit target is set according to the type of derivatives trading, which target shall be included in the performance evaluation and reviewed regularly.</u></p> <p><u>b. The budget target that trading personnel try their best to achieve according to the type of the financial product determined, which target will be used as the basis for performance evaluation.</u></p>											

Revised provisions	Current provisions	Explanations
<p>c. <u>The settlement staff member shall calculate the net position of the risk exposure to the management on a monthly basis as a basis for management and reference.</u></p> <p>2) <u>“Transactional – other” derivatives:</u> <u>Prepare monthly net profit and loss statements each month for the management’s reference.</u></p> <p>3) <u>Determination on the upper limit of losses</u></p> <p>a. <u>The purpose of hedge trading is to avoid risks. When the total contract loss exceeds 10% of the total contract amount or the individual contract loss exceeds 5% of the undertaking amount, it shall be immediately submitted to the chairman and reported to the Board of Directors to discuss necessary countermeasures; when the amount of individual contract losses does not reach 5% of the undertaking amount, it shall be authorized to the chairman to deal with and to discuss necessary countermeasures.</u></p> <p>b. <u>If it is a transaction-oriented non-hedging trading, the single stop loss amount at any point in time shall be at 3% of the undertaking amount as the basis of implementation, and the overall stop loss amount shall be at 3% of the undertaking amount as the stop loss target. Therefore, if the loss exceeds such stop loss amounts, appropriate</u></p>		

Revised provisions	Current provisions	Explanations
<p><u>contingency measures such as early settlement or backwashing shall be taken so to prevent extended losses.</u></p> <p>2. <u>Internal audit system</u></p> <p>(1) <u>Internal auditors shall regularly understand the adequacy of the internal control of derivatives trading, check the trading department's compliance with the Handling Procedures for Derivatives Trading on a monthly basis, analyze the trading cycle, and prepare an audit report. If major violations are found, the Audit Committee shall be notified thereof in writing.</u></p> <p>(2) <u>The internal auditors shall file the audit report together with the annual audit status of the internal audit operations with the competent authority before the end of February of the following year, and shall file the improvement status of abnormal items with the competent authority for recordation no later than the end of May of the following year.</u></p> <p>3. <u>Periodic evaluation method</u></p> <p><u>The Board of Directors shall authorize senior executives to regularly supervise and evaluate whether the derivatives trading is conducted in accordance with the trading procedures formulated by the Company, and whether the risks assumed are within the allowable range for undertaking. When abnormalities are indicated in the market price evaluation report (for example, the position held has exceeded the loss limit), it shall be immediately reported to the Board of Directors and corresponding measures shall be taken.</u></p>		
<p>Article 20 <u>Risk management measures</u></p> <p>1. <u>Credit risk management:</u></p> <p><u>Since the market is affected by</u></p>		<p>The original Article 10, Paragraph 2</p>

Revised provisions	Current provisions	Explanations
<p><u>various factors, it is easy to cause operational risks of derivatives. Therefore, the market risk management shall be carried out according to the following principles:</u></p> <ol style="list-style-type: none"> 1) <u>Trading counterparty: mainly based on renowned financial institutions at home and abroad.</u> 2) <u>Trading products: limited to products provided by the renowned financial institutions at home and abroad.</u> 3) <u>Trading amount: The unwritten-off trading amount of the same trading counterparty shall not exceed that specified in the approval authority chart, except for those approved by the general manager.</u> <p>2. <u>Market risk management: Mainly based on the open foreign exchange market provided by banks.</u></p> <p>3. <u>Liquidity risk management: In order to ensure market liquidity, the choice of financial products shall be based on high liquidity (that is, it can be squared in the market at any time). The financial institution commissioned to carry out the transaction shall have sufficient information and the ability to trade in any market at any time.</u></p> <p>4. <u>Cash flow risk management In order to ensure the stability of the Company's working capital turnover, the Company's source of funds for derivatives trading is limited to its own funds, and the Company shall take into account the funding needs of the forecasted cash receipts and payments for the next three months to determine on the operational amount.</u></p> <p>5. <u>Operational risk management</u></p>		<p>has been moved to this article.</p>

Revised provisions	Current provisions	Explanations
<p>1) <u>The authorized quota, operational procedures and their being included in the internal audit of Company shall be strictly followed to avoid operational risks.</u></p> <p>2) <u>Derivatives trading personnel shall not concurrently serve as other operators for confirmation or settlement, and vice versa.</u></p> <p>3) <u>Risk measurement, supervision and control personnel shall respectively belong to different departments from the personnel mentioned in the preceding subparagraph, and shall report to the Board of Directors or to senior executives who are not in charge of transactions or who are not responsible for position decision-making.</u></p> <p>4) <u>Positions held in derivatives trading shall be evaluated at least once a week; however, hedge trading that is required for business purposes shall be evaluated at least twice a month, and the evaluation report shall be sent to the senior executive authorized by the Board of Directors.</u></p> <p>6. <u>Product risk management: Internal trading personnel shall have complete and correct professional knowledge of financial products, and banks are required to fully disclose risks so as to avoid the risk of misusing financial products.</u></p> <p>7. <u>Legal risk management: Documents to be signed with financial institutions shall be reviewed by specialized personnel in foreign exchange and legal affairs or legal advisors before they can be formally executed so as to avoid legal risks.</u></p>		
Article 21 <u>Principles of supervision and</u>		The original

Revised provisions	Current provisions	Explanations
<p><u>management of the Board of Directors when the Company engages in derivatives trading</u></p> <p>1. <u>The Board of Directors shall designate senior executives to pay attention to the supervision and control of derivatives trading risks at all times. The management principles shall be as follows:</u></p> <p>(1) <u>Regularly evaluate whether the risk management measures currently in use are appropriate and are actually handled in accordance with these Handling Procedures as well as the Handling Procedures for Derivatives Trading formulated by the Company.</u></p> <p>(2) <u>Supervise trading as well as profit and loss status, take necessary countermeasures when any abnormalities are found, and report such to the Board of Directors immediately. If the Company has independent directors in place, there shall be independent directors attending board meetings to express their opinions.</u></p> <p>2. <u>Regularly evaluate whether the performance of derivatives trading conforms to the established business strategy and whether the risks assumed are within the acceptable range of the Company.</u></p> <p>3. <u>When the Company engages in derivatives trading, if the Company has authorized relevant personnel to handle derivatives trading in accordance with the Handling Procedures for Derivatives Trading it has formulated, such trading shall be reported afterwards to the most upcoming board meeting.</u></p>		<p>Article 10, Paragraph 5, Subparagraphs 1-3 have been moved to this article.</p>
<p>Article 22 <u>When the Company engages in</u></p>		<p>The original Article 10,</p>

Revised provisions	Current provisions	Explanations
<p><u>derivatives trading, it shall establish a memorandum book and record in detail the type and amount of the derivatives trading engaged in, the date of approval by the Board of Directors, and items to be carefully evaluated in accordance with Article 20, Paragraph 5 and Article 21, Paragraph 1 in the memorandum book for future reference.</u></p> <p><u>Internal auditors shall regularly understand the adequacy of the internal control of derivatives trading, check the trading department's compliance with the Handling Procedures for Derivatives Trading on a monthly basis, analyze the trading cycle, and prepare an audit report. If major violations are found, the Audit Committee shall be notified thereof in writing.</u></p>		<p>Paragraph 3, Subparagraph 1 has been moved to this article with an adjustment of the text.</p>
<p>Article 23</p> <p><u>When the Company conducts a merger, demerger, acquisition, or transfer of shares, it is advisable to invite lawyers, accountants, underwriters and others to jointly discuss the estimated timetable for legal procedures, and organize a project team to implement the legal procedures. It is also advisable, prior to convening the Board of Directors meeting for a resolution, to engage the accountant, lawyer, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness to be issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, or in</u></p>		<p>The original Article 11, Paragraph 1, Subparagraph 1 has been moved to this article.</p>

Revised provisions	Current provisions	Explanations
<p><u>the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.</u></p>		
<p>Article 24 <u>The Company conducting the merger, demerger, acquisition, or transfer of shares shall prepare a public report addressed to shareholders detailing important contractual content and related matters prior to the shareholders meeting, together with the expert opinion referred to in Subparagraph 1, Paragraph 1 of this article, to be sent to shareholders along with the shareholders meeting notice to serve as the reference in deciding whether to approve the merger, demerger, or acquisition. However, this provision shall not apply where other laws prescribe the exemption of a company from convening a shareholders meeting to approve the merger, demerger, or acquisition. In addition, if the shareholders meeting of any party participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restrictions, or the proposal is vetoed by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately explain to the public the reasons thereof, the follow-up measures, and the preliminary date of the next shareholders meeting.</u></p>		<p>The original Article 11, Paragraph 1, Subparagraph 2 has been moved to this article with an adjustment of the text.</p>
<p>Article 25 <u>Other Matters Requiring Attention</u> 1. <u>Date of Board of Directors meetings: The company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and shareholders meeting</u></p>		<p>The original Article 11, Paragraph 2, Subparagraphs 1-2 have been moved to this article with an</p>

Revised provisions	Current provisions	Explanations
<p><u>on the day of the transaction to resolve matters related to the merger, demerger, or acquisition, unless other laws provide otherwise or it is due to special circumstances where the Financial Supervisory Commission has been notified thereof in advance and has given its consent thereto. A company participating in a transfer of shares shall convene a Board of Directors meeting on the day of the transaction, unless other laws provide otherwise or it is due to special circumstances where the Financial Supervisory Commission has been notified thereof in advance and has given its consent thereto.</u></p> <p>2. <u>Documents to be prepared</u> <u>When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall prepare a full written record of the following materials to be retained for 5 years for future reference:</u></p> <p>(1) <u>Basic personnel information: including the titles, names, and national ID card numbers (or passport numbers in the case of foreign nationals) of all persons participating in the plan or implementation of any merger, demerger, acquisition, or transfer of shares prior to disclosure of such new.</u></p> <p>(2) <u>Dates of important events: including the signing of any letter of intent or memorandum of understanding, the commissioning of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.</u></p> <p>(3) <u>Important documents and minutes: including the merger, demerger,</u></p>		<p>adjustment of the text.</p>

Revised provisions	Current provisions	Explanations
<p><u>acquisition, or share transfer plans, any letter of intent or memorandum of understanding, important contracts, minutes of Board of Directors meetings, etc.</u></p> <p><u>When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall, within 2 days from the date of the resolution adopted by the Board of Directors, file the materials set out in (2)-1 and (2)-2 of this paragraph in the prescribed format and via the Internet information system with the Financial Supervisory Commission for recordation.</u></p> <p><u>Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is neither listed on an exchange market nor has its shares traded on an OTC market, the Company shall sign an agreement with such a company and shall proceed therewith in accordance with the provisions of the preceding two items of this paragraph.</u></p>		
<p><u>Article 26 Advance confidentiality commitment.</u></p> <p><u>Every person participating in or aware of the plan for the merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality, shall not disclose the content of the plan prior to public disclosure of the information, and shall not either trade, in his/her own name or under the name of another person, in any stock or other equity securities of any company related to the plan for the merger, demerger, acquisition, or transfer of shares.</u></p>		<p>The original Article 11, Paragraph 2, Subparagraph 3 has been moved to this article.</p>
<p><u>Article 27 Principles for setting and changing the share exchange ratio or purchase price.</u></p> <p><u>The company participating in the</u></p>		<p>The original Article 11, Paragraph 2, Subparagraph</p>

Revised provisions	Current provisions	Explanations
<p><u>merger, demerger, acquisition, or transfer of shares shall engage the accountant, lawyer, or securities underwriter to give an opinions on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholders meeting. In principle, the share exchange ratio or purchase price shall not be changed arbitrarily, unless the conditions for making changes have been stipulated in the contract and have been disclosed to the public. The conditions for changing the share exchange ratio or purchase price are as follows:</u></p> <ol style="list-style-type: none"> 1. <u>Undertaking cash capital increase, issuance of convertible corporate bonds, issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, and other equity based marketable securities.</u> 2. <u>An act, such as the disposal of major assets, that affects the Company's finance, accounting and business.</u> 3. <u>An event, such as a major disaster or major change in technology, that affects shareholder equity or the share price.</u> 4. <u>An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stocks.</u> 5. <u>An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.</u> 6. <u>Other terms and conditions that the</u> 		<p>4 has been moved to this article.</p>

Revised provisions	Current provisions	Explanations
<p><u>contract stipulates to allow changes, which have been publicly disclosed.</u></p>		
<p>Article 28 <u>Content to be contained in the contract.</u> <u>The contract for participation by a company in a merger, demerger, acquisition, or transfer of shares, in addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, shall also clearly state the following items.</u></p> <ol style="list-style-type: none"> 1. <u>Handling of breach of contract.</u> 2. <u>The handling principles for the equity-based marketable securities previously issued or treasury stocks previously bought back by any company that is extinguished in a merger or that is demerged.</u> 3. <u>The amount of treasury stocks participating companies may buy back under the law after the record date for calculation of the share exchange ratio, and the principles for the handling thereof.</u> 4. <u>The handling method for changes in the number of participating entities or companies.</u> 5. <u>The preliminary progress schedule for the plan execution, and anticipated completion schedule.</u> 6. <u>The scheduled date for convening the shareholders meeting as required by the law and regulations in case the plan fails to be completed before the deadline, and the relevant procedures.</u> 		<p>The original Article 11, Paragraph 2, Subparagraph 5 has been moved to this article.</p>
<p>Article 29 <u>When the number of companies participating in the merger, demerger, acquisition or transfer of share changes: After public disclosure of the information, if any company</u></p>		<p>The original Article 11, Paragraph 2, Subparagraph 6 has been moved to this</p>

Revised provisions	Current provisions	Explanations
<p><u>participating in the merger, demerger, acquisition, or share transfer intends to further carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing its board of directors to alter the limit of authority, the participating company may be exempted from convening another shareholders meeting to resolve on the matter anew.</u></p>		<p>article.</p>
<p>Article 30 <u>Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with such a company, and shall proceed in accordance with Articles 25, Article 26 and the provisions of the previous article.</u></p>		<p>The original Article 11, Paragraph 2, Subparagraph 7 has been moved to this article.</p>
<p>Article 31 <u>Information disclosure procedures</u> 1. <u>Items to be announced and filed, and requirements for announcements and filing</u> (1) <u>The acquisition or disposal of real property or its right-of-use assets from or to a related party, or acquisition or disposal of assets other than real property or its right-of-use assets from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; however, this shall</u></p>		<p>The original Article 12, Paragraphs 1-2 and Paragraph 3, Subparagraphs 1-4 have been moved to this article.</p>

Revised provisions	Current provisions	Explanations
<p><u>not apply to trading of domestic government bonds or bonds under repurchase and reverse repurchase agreements, or subscription or redemption of money market funds issued by domestic marketable securities investment trust enterprises.</u></p> <p><u>(2) Undertaking the merger, demerger, acquisition, or transfer of shares.</u></p> <p><u>(3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the handling procedures formulated by the Company.</u></p> <p><u>(4) Acquisition or disposal of equipment or its right-of-use assets for business use, and the transaction counterparty is not a related party, with the transaction amount meeting any of the following criteria:</u></p> <p>1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p><u>(5) Asset transactions other than those mentioned in the preceding four subparagraphs, disposal of creditor's rights by financial institutions, or investment in the Mainland Area, where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. However, the following circumstances shall not apply to the foregoing provision:</u></p> <p>1) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than</p>		

Revised provisions	Current provisions	Explanations
<p>the sovereign rating of Taiwan.</p> <p>2) Trading of bonds under repurchase and reverse repurchase agreements, or subscription or redemption of money market funds issued by domestic marketable securities investment trust enterprises.</p> <p><u>(6) The transaction amount in the preceding five subparagraphs shall be calculated as set out below, “within one year” shall refer to the year preceding the date of occurrence of the current transaction. Items that have been announced in accordance with the regulations shall not be required to be counted toward the transaction amount.</u></p> <p>1) The amount of any individual transaction.</p> <p>2) The cumulative transaction amount of acquisitions or disposals of the same nature of underlying asset with the same transaction counterparty within one year.</p> <p>3) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or its right-of-use assets of the same development project within one year.</p> <p>4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same marketable securities within one year.</p> <p>2. <u>Time limit for announcements and filings</u> <u>When the Company acquires or disposes of assets where there are items that should be announced as specified in Paragraph 1 of this</u></p>		

Revised provisions	Current provisions	Explanations
<p><u>article and the transaction amount meets the requirement for making an announcement and filing in this article, it shall make the announcement and filing within two days from the date of the occurrence of the transaction.</u></p> <p>3. <u>Announcement and filing procedures</u></p> <p>(1) <u>The Company shall make announcements and filing of the relevant information on the website designated by the Financial Supervisory Commission.</u></p> <p>(2) <u>The Company shall compile monthly reports on the status of derivatives trading engaged in as of the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format onto the information reporting website designated by the Financial Supervisory Commission by the 10th day of each month.</u></p> <p>(3) <u>When the Company at the time of making public announcements makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and filed in their entirety within two days from the date of getting aware of such error or omission.</u></p> <p>(4) <u>The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, memorandum books, appraisal reports, as well as accountant, attorney, and securities underwriter opinion letters at the Company, where they shall be retained for at least 5 years except it is otherwise</u></p>		

Revised provisions	Current provisions	Explanations
provided by the law.		
<p>Article 32 <u>Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and filed in accordance with the preceding article, an announcement and filing of the relevant information shall be made on the information reporting website designated by the Financial Supervisory Commission within 2 days from the date of occurrence of the transaction:</u></p> <ol style="list-style-type: none"> 1. <u>Changes, termination, or rescission of a contract signed in regard to the original transaction.</u> 2. <u>The merger, demerger, acquisition, or transfer of shares is not completed according to the predetermined schedule set forth in the contract.</u> 3. <u>Changes in the content that had been previously announced and filed.</u> 		<p>The original Article 12, Paragraph 3, Subparagraph 5 has been moved to this article.</p>
<p>Article 33 <u>Penalties</u> <u>When an employee of the Company who undertakes the acquisition and disposal of assets is in violation of the provisions of these Handling Procedures, it shall be reported for assessment on a regular basis in accordance with the Company’s employee work rules, and shall be subject to disciplines according to the seriousness of the circumstances.</u></p>		<p>The original Article 14 has been moved to this article.</p>
<p>Article 34 <u>The subsidiary of the Company shall proceed in compliance with the following regulations:</u></p> <ol style="list-style-type: none"> 1. <u>The subsidiary shall also formulate the “Handling Procedures for Acquisition or Disposal of Assets” in accordance with the relevant provisions of the “Regulations Governing the Acquisition or</u> 		<p>The original Article 13 has been moved to this article.</p>

Revised provisions	Current provisions	Explanations
<p><u>Disposal of Assets by Public Companies.”</u></p> <p>2. <u>When the subsidiary acquires or disposes of assets, it shall follow these Handling Procedures.</u></p> <p>3. <u>If the subsidiary is not a domestic public company, where its acquisition or disposal of assets meets the requirement for making an announcement and filing as stipulated in Article 12 of the “Regulations Governing the Acquisition or Disposal of Assets by Public Companies,” the Company shall carry out the announcement and filing on behalf of the subsidiary.</u></p> <p>4. <u>With regard to the requirements for making the announcement and filing by the subsidiary, the so-called the amount having reached the paid-in capital or total assets of the Company shall be based on the paid-in capital or total assets of the Company.</u></p>		
<p>Article 35</p> <p><u>The 10% of the total assets stipulated in these Regulations shall be calculated based on the total assets in the most recent parent company only or individual financial report stipulated in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p> <p><u>If the Company’s share certificates have no par value or the par value of each share is not in the amount of NT\$10, the transaction amount at 20% of the paid-in capital stipulated in these Regulations shall be calculated at 10% of the equity attributable to the owner of the parent company; The provisions stipulating that where the transaction amount reaches the paid-in capital in the amount to</u></p>	<p><u>Newly added</u></p>	<p>This article is newly added.</p>

Revised provisions	Current provisions	Explanations
<p><u>NT\$10 billion, it shall be calculated based on the equity attributable to the owners of the parent company in the amount of NT\$20 billion.</u></p>		
<p><u>Article 36 Supplementary provisions</u></p> <p><u>(1) If there are any matters not covered in these Handling Procedures, they shall be dealt with in accordance with relevant laws and regulations.</u></p> <p><u>(2) These Handling Procedures were formulated on May 16, 2006.</u></p> <p><u>(3) The first revision of these Handling Procedures was made on June 14, 2007.</u></p> <p><u>(4) The second revision of these Handling Procedures was made on Mar 12, 2008.</u></p> <p><u>(5) The third revision of these Handling Procedures was made on June 15, 2011.</u></p> <p><u>(6) The fourth revision of these Handling Procedures was made on June 6, 2012.</u></p> <p><u>(7) The fifth revision of these Handling Procedures was made on June 12, 2014.</u></p> <p><u>(8) The sixth revision of these Handling Procedures was made on June 13, 2017.</u></p> <p><u>(9) The seventh revision of these Handling Procedures was made on June 12, 2018.</u></p> <p><u>(10) The eighth revision of these Handling Procedures was made on June 13, 2019.</u></p> <p><u>(11) The ninth revision of these Handling Procedures was made on July 22, 2021.</u></p> <p><u>(12) The tenth revision of these Handling Procedures was made on June 8, 2022.</u></p> <p><u>(13) The eleventh revision of these Handling Procedures was made on June 7, 2023.</u></p>		<p>The original Article 16 has been moved to this article.</p>

8. Board of Independent director Nomination List

NO.	Candidate	Title Name	Shareholdings (shares)	Background	Main Experience	Current Position
1	Independent Director	John Lin	0	Master, Department of Mechanical Engineering, NTU; EMBA, National CHENG-CHI University	Vice President of Advantech Co.,Ltd ; General Manger of MOXA Technology Co.,Ltd ; Director of Korenix Technology Co.,Ltd	Director of Korenix Investment Co.,Ltd

Note 1 : As of April 9,2023

D. Appendix

1. Rules of Procedure for Shareholders' Meeting (Before Amendment)

eGalax_eMPIA Technology Inc. Rules of Procedure for Shareholders' Meeting (Before Amendment)

Passed and put into effect by the Shareholders Meeting on July 22, 2021

- Article 1 (Basis for formulation)
In order to establish a sound governance system of the Shareholders' Meeting, perfect the supervisory function and strengthen the management functions of the Company, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and to facilitate compliance herewith, these Rules are hereby formulated.
- Article 2 (Scope of application)
The rules of procedure for the Company's Shareholders' Meetings shall be in accordance with the provisions of these Rules, unless otherwise stipulated by laws and regulations or the Articles of Incorporation.
- Article 3 (Convening of the Shareholders' Meeting and the meeting notice)
The Company's Shareholders' Meetings shall be convened by the Board of Directors unless otherwise provided by laws and regulations.
Notice regarding the convening of an ordinary Shareholders' Meeting shall be given to all shareholders 30 days in advance; for shareholders holding less than 1,000 registered shares, such notification may be carried out by means of an announcement made on the Market Observation Post System 30 days in advance. Notice regarding an extraordinary Shareholders' Meeting shall be given to all shareholders 15 days in advance; for shareholders holding less than 1,000 registered shares, such notification may be carried out by means of an announcement made on the Market Observation Post System 15 days in advance.
Notification and announcements shall specify the reason for the convening of such meeting; such notification may, with the consent of the counterparty, be carried out electronically.
For appointment, election, or removal of directors, revision of the Articles of Incorporation, capital reduction, application for the termination of public offering, release from director non-compete obligations, capital increase out of retained earnings, capital increase out of capital reserves, company dissolution, merger, demerger, or any matter specified in the subparagraphs of Paragraph 1, Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, or Article 56-1 or Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the reason for convening the meeting shall be specified with its main content set out therein, and shall not be put forward in an extempore motion.
Where the reason for convening the Shareholders' Meeting has specified the re-election of all directors and the date of their inauguration, the date of their inauguration shall not be altered by putting forward an extempore motion or otherwise at the same meeting after such re-election has been completed at the Shareholders' Meeting.
A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at an ordinary Shareholders' Meeting. The number of items so proposed shall be limited to one only, and no proposal containing more than one item shall be included in the meeting agenda. In addition, if a proposal put forward by a shareholder falls under any of the circumstances in Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may exclude it from the agenda.
A shareholder may submit a suggestive proposal to urge the Company to promote public

interests or fulfill social responsibilities following the procedure in Article 172-1 of the Company Act, under which the number of items so proposed shall be limited to one only, and no proposal containing more than one item shall be included in the meeting agenda. The Company shall announce the place, period of time, and the correspondence or electronical means of accepting the submission of shareholder proposals prior to the record date before the ordinary Shareholders' Meeting is held; and the period for the submission of shareholder proposals shall not be less than 10 days.

A proposal submitted by the shareholder shall be limited to 300 words, and no proposal containing more than 300 words shall be included in the meeting agenda. The proposing shareholder shall attend the ordinary Shareholders' Meeting in person or by proxy to take part in the discussion on said proposal.

The Company shall inform the proposing shareholders of the result of the proposal screening prior to the date issuing the meeting notice of the Shareholders' Meeting, and include the proposal that conforms to the provisions of this article into the meeting agenda of the meeting notice. For shareholder proposals that are not included in the agenda, the Board of Directors shall explain the reasons therefor at the Shareholders' Meeting.

Article 4 (Attendance at Shareholders' Meeting by proxy and authorization)

A shareholders may, for each Shareholders' Meeting, issue a proxy published by the Company specifying the scope of authorization to appoint a proxy to attend the Shareholders' Meeting.

A shareholder may issue one proxy to appoint one person only for any given Shareholders' Meeting, and the proxy shall be delivered to the Company 5 days prior to the Shareholders' Meeting. In the event of duplicate proxies, the one delivered earliest shall prevail, unless a statement is made to revoke the previous proxy appointment.

After a proxy has been delivered to the Company, if the shareholder intends to attend the Shareholders' Meeting in person, he or she shall notify the Company in writing of revoking the proxy appointment no later than 2 days prior to the Shareholders' Meeting; in the event of notification of revocation falling after the deadline, the votes cast at the meeting by the proxy shall prevail.

Article 5 (Principles for the venue and time of the Shareholders' Meeting)

The venue for the Shareholders' Meeting shall be where the Company is located, or at a place that is convenient for shareholders to attend and suited to holding the Shareholders' Meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the venue and time of the meeting.

Article 6 (Preparation of signature book and other documents)

The Company shall provide a signature book for the shareholder attending in person or by proxy (hereinafter collectively referred to as the Attending Shareholder) to sign in for attendance, or the Attending Shareholder may hand in an sign-in card in lieu of signing in for attendance.

The Company shall hand over the meeting handbook, annual report, attendance card, speech note, voting slip, and other meeting materials to the Attending Shareholder at the Shareholders' Meeting; where there is an election of directors, the ballot paper shall also be provided therewith.

Shareholders shall present their attendance cards, sign-in cards for attendance or other attendance certificates to attend the Shareholders' Meeting. The Company shall not arbitrarily demand that additional supporting documents be provided in order to attend the Shareholders' Meeting. Proxy solicitors shall also bring their identity documents for verification.

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

- Article 7 (Chair and participants of the Shareholders' Meeting)
If the Shareholders' Meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman. When the chairman is on leave or unable to exercise his/her powers for some reason, the vice chairman shall act as chair. If there is no vice chairman or the vice chairman is also on leave or unable either to exercise his/her powers, the chairman shall designate one managing director to act as chair; if there is no managing director, a director shall be designated to act as chair; if the chairman fails to designate a proxy, the managing director or directors shall select one person from among themselves to act as chair.
It is advisable that Shareholders' Meetings convened by the Board of Directors be presided over by the chairman in person and be attended by a majority of the directors as well as attended by at least one member of each functional committee on behalf thereof. The attendance status thereof shall be recorded in the meeting minutes.
If a Shareholders' Meeting is convened by a person with power to convene other than the Board of Directors, said person with power to convene shall act as the chair; where there are two or more such persons with power to convene, they shall select one person to act as the chair from among themselves.
The Company may appoint its lawyers, accountants, or related personnel to participate in the Shareholders' Meeting.
- Article 8 (Documentation of a Shareholders' Meeting via audio or video)
The Company shall make an audio or video recording of the entire process of each Shareholders' Meeting, and preserve such recordings for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, such recordings shall be preserved until the closing of the lawsuit.
- Article 9 (Calculating the number of shares in attendance at the Shareholders' Meeting and meeting in progress)
The shareholder attendance at the Shareholders' Meeting shall be calculated on the basis of shares. The number of shares in attendance shall be calculated based on the shares indicated in the signature book and the sign-in cards handed in, plus the number of shares with the voting rights exercised via correspondence or electronic means.
The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting, etc. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement of the meeting, provided that no more than two such postponements shall be allowed and the total delay thereby shall not exceed one hour. If there is still not a quorum after two such postponements and the attending shareholders represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned due to lack of quorum.
If there is still not a quorum 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; and all shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month.
When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution earlier adopted for a vote at the Shareholders' Meeting in accordance with Article 174 of the Company Act.
- Article 10 (Discussion of proposals)
If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be determined by the Board of Directors. Votes shall be cast on each separate proposal in the meeting agenda. The meeting shall be conducted in accordance with the scheduled meeting agenda, which shall not be changed without a resolution of the

Shareholders' Meeting.

If the Shareholders' Meeting is convened by a person with power to convene other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis.

The chair shall not forthwith declare the meeting adjourned without a resolution before the deliberation on the scheduled meeting agenda in the preceding two paragraphs (including extempore motions) has been concluded. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, with the consent of a majority of the votes represented by the attending shareholders, in order to then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanations of and discussions on proposals as well as the amendments or extempore motions put forward by the shareholders; when it is considered that a proposal has been discussed sufficiently to be put to the vote, the chair may announce the discussion closed, put it to the vote, and arrange sufficient time for voting.

Article 11 (Speeches by shareholders)

Before speaking, an attending shareholder must first fill in a speech note specifying the subject of the speech, his/her/its shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be determined by the chair.

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

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

When an attending shareholder is speaking, other shareholders shall not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor. The chair shall put a stop to such violations.

When a corporate shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one of the representatives so appointed may speak on the same proposal.

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

Article 12 (Calculation of voting shares and recusal system)

Voting at the Shareholders' Meeting shall be calculated based the number of shares. With respect to resolutions of Shareholders' Meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item that is likely to prejudice the Company's interests, that shareholder shall not vote on that item, and shall not exercise voting rights as proxy for any other shareholder either.

The number of shares that cannot exercise voting rights in the preceding paragraph shall not be included in the number of voting rights of shareholders present.

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

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

Article 13 (Voting on agenda items, vote scrutiny, and vote counting methods)

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

When the Company holds a shareholder meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the Shareholders' Meeting notice. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person, but to have waived his/her/its rights with respect to the extempore motions and amendments to original proposals of that 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 two days prior to the date of the Shareholders' Meeting. When duplicate declarations of intent are delivered, the one delivered earliest shall prevail, except when a declaration is made to revoke the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the Shareholders' Meeting in person, a declaration of intent to revoke the exercise of voting rights already carried out under the preceding paragraph shall be made known to the Company by the same means as that for exercising the voting rights no later than two days prior to the date of the Shareholders' Meeting. If the declaration of revocation is submitted after the foregoing deadline, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights by correspondence or electronic means but has at the same time appointed a proxy to attend the Shareholders' Meeting, the voting rights exercised by the proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the voting on a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When the proposal is put to the vote, the chair or a person designated by the chair shall announce the total number of voting rights represented by the attending shareholders for each proposal.

A proposal shall be deemed passed after the chair has consulted with all the shareholders in attendance and no objection has been raised, and its effect shall be the same as that when the proposal is put to the vote; if there is any objection thereto, the proposal shall be put to the vote in accordance with the provisions of the preceding paragraph.

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

The vote scrutiny and vote counting personnel for the voting on a proposal shall be appointed by the chair, provided that all vote scrutiny personnel shall be shareholders of the Company.

The vote counting shall be conducted in public, within the Shareholders' Meeting venue. The voting result shall be announced on-site at the meeting, and record thereof shall be made.

Article 14 (Election of directors)

When there is an election of directors at a Shareholders' Meeting, it shall be conducted in accordance with the relevant election and appointment rules stipulated by the Company. The election result shall be announced on the spot, including the names of the directors-elect and the numbers of votes with which they have been elected, as well as the names of directors not elected 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 vote scrutiny personnel and be kept in proper custody for at least one year.

If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act,

the ballots shall be retained until the closing of the lawsuit.

- Article 15 (Meeting minutes and signatures)
Resolutions of the Shareholders' Meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chair of the meeting, and a copy thereof shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
The Company may distribute the meeting minutes in the preceding paragraph by means of a public announcement.
The meeting minutes shall properly record the year, month, day, and venue of the meeting, the name of the chair, the methods by which resolutions were adopted, a summary of the deliberations and their voting results (including the vote tally), and disclose the number of voting rights won by each candidate in the case of a director election. The meeting minutes shall be retained permanently for the duration of the existence of the Company.
- Article 16 (Public disclosure)
The number of shares acquired by the vote solicitor and the number of shares represented by a proxy shall be compiled in the form of a statistical statement as prescribed and clearly disclosed within the venue of the Shareholders' Meeting on the day of the Shareholders' Meeting.
If matters put to a resolution at a Shareholders' Meeting constitute material information under applicable laws or regulations or under regulations of Taiwan Stock Exchange Corporation (or Taipei Exchange Market), the Company shall upload the content of such resolutions to the Market Observation Post System within the prescribed time period.
- Article 17 (Maintenance of order at the meeting venue)
The personnel handling administrative affairs at a Shareholders' Meeting shall wear identification cards or arm bands.
The chair may direct pickets or security personnel to assist in maintaining order at the venue. When pickets or security personnel are present at the venue to help maintain order, they shall wear arm bands or identification cards bearing the wording "Picket".
Where the venue is equipped with sound amplification equipment, the chair may put a stop to a shareholder's speech if such speech is not made through the equipment furnished by the Company.
When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the meeting proceedings and refusing to stop, the chair may direct the picket or security personnel to escort said shareholder out of the meeting venue.
- Article 18 (Recess and resumption of the Shareholders' Meeting)
When a meeting is in progress, the chair may announce a break based on time considerations. In the event of the occurrence of an irresistible event, the chair may rule the meeting temporarily suspended and announce the time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continued use and not all of the scheduled agenda items (including extempore motions) have been addressed, the Shareholders' Meeting may adopt a resolution to resume the meeting at another venue sought otherwise.
The Shareholders' Meeting may, in accordance with Article 182 of the Company Act, resolve to postpone or continue the meeting within 5 days.
- Article 19 (Supplementary provisions)
These Rules came into force after being approved by the Shareholders' Meeting, and the same shall apply in the event of the revision thereof.
These Rules were formulated on May 16, 2006.
The first revision was made on June 18, 2010.
The second revision was made on June 6, 2012.
The third revision was made on June 10, 2015.

The fourth revision was made on June 10, 2020.
The fifth revision was made on July 22, 2021.

2. Articles of Incorporation

eGalax_eMPIA Technology Inc. Articles of Incorporation

Chapter 1 General Provisions

- Article 1 : This Company, incorporated pursuant to the Company Act, is named eGalax_eMPIA Technology Inc.
- Article 2 : The Company's business services are as follows:
1. I501010 Product Designing
 2. F119010 Wholesale of Electronic Materials
 3. F219010 Retail Sale of Electronic Materials
 4. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1 : The Company may provide external guarantee and make reinvestment in response to business needs; the total amount of such reinvestment may not be subject to the restriction in Article 13 of the Company Act, unless otherwise stipulated by laws and regulations.
- Article 3 : The head office of this Company is established in Taipei City. If necessary, upon a resolution of the board of directors, the Company may establish domestic and overseas branches.
- Article 4 : All Company announcements shall be carried out in accordance with Article 28 of the Company Act.

Chapter 2 Shares

- Article 5 : The total authorized capital of this Company is NT\$1,000,000,000, divided into 100,000,000 shares, at NT\$10.00 par value, and issued separately.
- For total capital mentioned in the preceding paragraph, of which the 5,000,000 shares are reserved for the issuance of employee stock warrants, the Board of Directors is authorized to issue these certificates in installments.
- Article 5-1 : When the Company's shares are listed on a stock exchange or traded over the counter at a securities firm's business premises, employee stock warrants for which the subscription price is lower than the closing price of the Company's common stock on the date of issuance may only be issued by a resolution adopted by a shareholders' meeting attended by shareholders representing more than half of the total number of issued shares, with consent from two-thirds or more of the voting rights of shareholders in attendance.
- When the Company's shares are listed on a stock exchange or traded over the counter at the securities firm's business premises, the Company's shares may be transferred to employees at a price lower than the average price of the actual repurchased shares. However, prior to the transfer, the transfer shall be submitted to the latest shareholder meeting attended by shareholders representing more than half of the total number of issued shares, with consent from two-thirds or more of the voting rights of shareholders in attendance.
- Article 5-2 : The potential recipients of treasury stocks, employee stock warrants, the right to

subscribe to new shares out of cash capital increase, and restricted stock awards transferred or issued by the Company to employees, shall include employees of the controlling or subordinate companies who meet certain conditions. Such conditions shall be authorized to the board of directors or its authorized person for determination.

Article 6 : The Company's shares are registered share certificates which shall be signed or sealed by the directors representing the Company, and shall be duly certified or authenticated in accordance with the Act before issuance.

Shares to be issued by the Company may be exempted from printing any share certificate for the shares issued. However, the issued shares shall be registered with a centralized securities depository enterprise.

Article 7 : The record date of the regular shareholders' meeting and the extraordinary shareholders' meeting shall be handled in accordance with Article 165 of the Company Act. In addition, the Company shall close all registers for share transfer no more than five days prior to the record date for the distribution of dividends, bonuses or other benefits.

Chapter 3 Shareholders' Meetings

Article 8 : The shareholders' meeting shall be convened in two forms: Regular meetings, and extraordinary meetings. The regular meeting shall be held once annually, to be convened by the board of directors within six months after the closing of each fiscal year, in accordance with the Act. Extraordinary meetings, if necessary, shall be convened in accordance with the Act.

When the Company holds a shareholders' meeting, the meeting may be carried out via video conference or other means announced by the central competent authority.

When the shareholders' meeting is held via video conference, a shareholder who participates in the meeting via video conference shall be deemed to be present in person.

If the competent securities authority has stipulated otherwise than the provisions in the preceding two paragraphs, such stipulations shall prevail.

Article 9 : Where a shareholder is unable to attend the shareholders' meeting, such shareholder may designate a person to attend the meeting by completing a power of attorney form printed by the Company stating the power of attorney's scope of authorization and bearing the shareholder's seal and signature.

Article 10 : Company shareholders shall have one voting right per share. However, shareholders shall not have voting rights in the event of any of the circumstances stipulated in Article 179 of the Company Act.

Article 11 : Unless otherwise stipulated by the Company Act, a resolution of the shareholders' meeting shall be adopted if shareholders representing more than half of the total number of issued shares are in attendance, and when shareholders in attendance representing more than half of the voting rights vote in favor. When a proposal is put to the vote, if no objection is raised after the chair has consulted all the shareholders in attendance, it shall be deemed to be passed, which shall have the same effect as voting by poll.

Article 11-1 : Revocation of the public offering of stocks shall be a matter to be submitted to the shareholders' meeting for resolution.

The provision in the preceding paragraph shall not be changed during the period

when the Company's stocks are listed on the Emerging Stock Market and Taiwan Stock Exchange (Taipei Exchange).

Chapter 4 Directors and Audit Committee

Article 12 : The Company shall have five to eleven directors, with terms of three years. The shareholders' meeting shall select the directors from the list of candidates, and directors may be re-elected for consecutive terms. For the election of the Company's directors, unless otherwise stipulated by the Company Act, each share shall have the same voting rights as the number of directors to be elected, which may be consolidated for election of one candidate, or may be split for election of two or more candidates.

Director remuneration shall be authorized to the board of directors for determination in accordance with their level of participation in the Company's operations and value of their contributions, taking into account the common standard of industry peers.

The Company may take out liability insurance for its directors during their term of office, and the scope of insurance shall be authorized to the board of directors for resolution.

The Company shall set up an audit committee to replace the supervisor.

The audit committee shall be composed of all independent directors, the number of which shall not be less than three, with one of them being the convener, and at least one of them possessing expertise in accounting or finance.

Article 12 -1 : Among the Company's board seats, the number of independent directors shall not be less than three and shall not be less than one fifth the number of the board seats. The nomination and selection methods for independent directors and other matters to be complied with shall all be carried out in accordance with the relevant regulations of the competent authority.

The election of directors (including independent directors) shall adopt a candidate nomination system, and the shareholders' meeting shall select directors from the list of candidates. The election of independent directors shall be carried out in combination with the election of non-independent directors, but the number of directors elected shall be calculated separately; matters related to the selection, appointment, implementation, etc. shall be handled in accordance with the Company Act, Securities and Exchange Act, and other relevant laws and regulations.

Article 13 : The board of directors shall be organized from the directors. The chair shall be elected by two thirds of the directors in attendance, with the consent of more than half of the directors in attendance. The chair shall represent the Company externally.

Article 13-1 : For the convening of the board of directors meeting, the Company shall specify the reasons thereof and notify the directors seven days in advance. However, in the event of emergency, a board meeting may be convened at any time.

The convening notice for a board meeting referred to in the preceding paragraph may be given in writing, by e-mail, or by fax.

Except as otherwise provided by law, resolutions of the board of directors shall be adopted by more than half of the directors in attendance, with the consent of more than half of the directors in attendance.

When the board of directors meeting is held by video conference, a director who participates in the meeting via video conference shall be deemed to be present in

person.

Article 14 : When the chair is on leave or is unable to exercise his functions and powers for some reason, the proxy for such shall be handled in accordance with the provisions of Article 208 of the Company Act. A director who is unable to attend the board meeting for any reason may entrust one other director to act on his/her behalf to attend the board meeting, provided that a written proxy shall be issued for each representation, specifying the scope of authority. A director may accept the appointment to act as the proxy of one other director only.

Article 15 : Where a director of the Company is assigned by (through) the Company to serve as director, supervisor, or manager of the reinvested enterprise, regardless of the operating profit or loss of the Company or the reinvested enterprise, the Company and the reinvested enterprise may pay for the remuneration, with the maximum total amount of such remuneration set at NT\$6 million per person. The determination on the individual remuneration standards for the aforementioned personnel shall be authorized to the board of directors of the Company based on the level of their participation in and the value of their contribution to the operation of the Company or the reinvested enterprise, taking into account the common standards of industry peers, and within the aforementioned limit.

If the Company has a surplus, it shall separately distribute remuneration in accordance with the provisions of Article 19.

Charter 5 Managerial Officers

Article 16 : The Company may install one President, and his/her appointment, dismissal and remuneration shall be processed in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 17 : At the end of every fiscal year, the board of directors shall prepare the following statements and records of accounts, and pass them on to shareholders' meeting for ratification in accordance with the Act: (1) Business report; (2) Financial statement; (3) proposal for surplus earnings distribution or loss make-up proposal.

Article 18 : Deleted

Article 19 : If the Company makes a profit in the year ("profit" shall refer to the profit before tax, deducting distribution of employee compensation and director remuneration), it shall set aside no less than 9% thereof for employee compensation and no more than 2% for director remuneration. However, if the Company still has accumulated losses, it shall reserve the amount to make up for the loss in advance.

Determination on the distribution ratio of employee compensation and director remuneration, as well as employee compensation to be distributed in stocks or cash, shall be resolved by the board of directors with two thirds or more of the directors in attendance and with the consent of more than half of the directors in attendance, and reported to the shareholders' meeting. The director remuneration referred to in the preceding paragraph shall be paid in cash only.

The potential recipients for the distribution of employee compensation may include employees of the controlling or subordinate companies who meet certain conditions, and such conditions shall be authorized to the board of directors or its authorized person for determination.

- Article 19-1 : If the Company has any surplus in annual final accounts, it shall be distributed in the following order:
1. Payment of taxes.
 2. Making up for losses (including adjusting the amount of undistributed surplus).
 3. Setting aside 10% thereof as the statutory surplus reserve, except when the statutory surplus reserve has reached the Company's paid-in capital. (The net profit after tax of the current period plus the amount in the item other than the net profit after tax of the current period that is included in the undistributed surplus of the current year shall serve as the basis for the provision of the statutory surplus reserve.)
 4. Setting aside or reversing the special surplus reserve, in accordance with the laws, regulations, and requirements of the competent authority.
 5. The balance after the distribution made in the order specified in the preceding subparagraphs 1 to 4 plus the undistributed earnings at the beginning of the period is the distributable surplus. The board of directors shall draw up a proposal for the surplus distribution. Where it is to be carried out by issuing new shares, it shall be submitted to the shareholders' meeting for a resolution on the distribution of dividends to shareholders.

When the Company shall distribute dividends and bonuses in accordance with Article 240, Paragraph 5 of the Company Act, or all or part of the statutory surplus reserve and capital reserve shall be distributed in cash in accordance with Article 241, Paragraph 1 of the Company Act, the board of directors is authorized to adopt a resolution with two thirds or more of the directors in attendance and with the consent of more than half of the directors in attendance for the distribution, which shall also be reported to the shareholders' meeting.

The Company is currently in the period of growth. The dividend policy shall depend on factors such as the Company's future investment environment, funding needs, and capital budget, and take into consideration the goals of shareholder interests and the Company's sound financial structure. The board of directors shall draw up a proposal for the distribution of earnings within the range of 10% to 100% of the accumulated distributable surplus to be submitted to the shareholders' meeting. Dividends to be paid out to shareholders may be distributed in the form of stock dividends or cash dividends, of which cash dividends shall not be less than 30% of the total dividends.

Chapter 7 Bylaws

Article 20 : Any matter not provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

Article 21 : These Articles of Incorporation were established on Aug. 22, 2002.
The 1st amendment was made on June 30, 2004.
The 2nd amendment was made on June 2, 2005.
The 3rd amendment was made on Mar. 27, 2006.
The 4th amendment was made on May 16, 2006.
The 5th amendment was made on Nov. 15, 2006.
The 6th amendment was made on Dec. 20, 2006.
The 7th amendment was made on June 14, 2007.
The 8th amendment was made on Mar. 12, 2008.
The 9th amendment was made on June 13, 2008.

The 10th amendment was made on June 19, 2009.
The 11th amendment was made on June 18, 2010.
The 12th amendment was made on June 15, 2011.
The 13th amendment was made on June 6, 2012.
The 14th amendment was made on June 13, 2013.
The 15th amendment was made on June 10, 2015.
The 16th amendment was made on June 15, 2016.
The 17th amendment was made on June 12, 2018.
The 18th amendment was made on June 13, 2019.
The 19th amendment was made on July 22, 2021.
The 20th amendment was made on June 8, 2022.

3. Procedures for Election of Directors

eGalax_eMPIA Technology Inc. Procedures for Election of Directors

Passed and put into effect after the Shareholders' Meeting on July 22, 2021

- Article 1 The election of the Company's directors shall be handled in accordance with these Procedures, unless otherwise provided by the law or the Articles of Incorporation.
- Article 2 Unless otherwise provided by the Company Act, the cumulative voting method shall be adopted for the election of the Company's directors. Each share shall have a number of votes (voting rights) equal to the number of directors to be elected; said votes may be cast for a single candidate, or split among multiple candidates.
The elections of independent directors and non-independent directors shall be combined together, while the number of respective directors elect shall be counted separately.
The election of directors (including independent directors) shall adopt the candidate nomination system, and shall be conducted in accordance with the candidate nomination procedure set out in Article 192-1 of the Company Act.
- Article 3 The Board of Directors shall prepare separate ballots for directors corresponding to the number of directors to be elected. The number of votes associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting.
- Article 4 Before the commencement of an election, the chair shall appoint a number of vote-examiners and separate vote-counters, to perform their respective duties; the vote-examiners must have the status of shareholder.
- Article 5 For the election of directors, the ballot box shall be prepared by the Board of Directors, and opened for public counting by the vote-counters prior to the commencement of voting.
- Article 6 If the director candidate is a shareholder, the elector shall fill in the candidate's account name and shareholder account number in the candidate field on the ballot; if the candidate is not a shareholder, the elector shall fill in the candidate's name and ID card number. However, when a government or corporate shareholder is a candidate, the name of the government or legal person shall be entered in the candidate's account name field on the ballot, or alternately, the name of the government or legal person together with the name of its representative may be entered therein. When there are several representatives, the names of the representatives shall be separately entered therein respectively.
- Article 7 Independent directors and non-independent directors shall be elected at the same time; however, the ballots thereof shall be counted separately, and the independent directors and non-independent directors shall be separately elected.
- Article 8 A ballot shall be invalid under any of the following circumstances:

- (1) The ballot is not prepared by a person with the right to convene.
- (2) A blank ballot is cast into the ballot box.
- (3) The writing on the ballot is blurred and unrecognizable or has been altered.
- (4) The names of the director candidates entered in the ballot are found after verification to be inconsistent with those contained in the director candidate names list.
- (5) Other text/letters/script has been entered on the ballot in addition to the number of voting rights allotted.

Article 9 The Company's directors (including independent directors) shall be elected by the shareholders' meeting, based on the list of director candidates and within the quota specified in the Company's Articles of Incorporation. According to the results of the electronic voting platform and ballot tally, the candidates winning ballots representing the most voting rights shall be elected as independent directors and non-independent directors respectively.

When two or more candidates receive the same number of votes, thereby exceeding the prescribed quota, they shall draw lots to decide on the winner thereof; the chair shall draw the lot on behalf of candidates who are absent from the scene.

If it has been confirmed after verification that a director-elect's personal information is not consistent or that his/her election has become invalid in accordance with the law and regulations, the vacancy thereof shall be filled by the candidate winning the second most votes in the original election, which shall be announced at the current shareholders' meeting.

Article 10 Where the Company has an Audit Committee in place, there shall be no election of supervisors.

Article 11 After the voting, the ballots shall be counted on the spot, and the ballot results shall be announced on the spot by the chair.

Article 12 Where an election fails to meet the requirements prescribed in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act, the election shall lose its validity.

Article 13 The Company's Board of Directors shall notify directors-elect that they have won the election.

Article 14 Matters not stipulated in this Procedures shall be handled in accordance with the Company Act, the Company's Articles of Incorporation, and the law.

Article 15 These Procedures shall take effect after being approved by the Shareholders' meeting. The same shall apply to all revisions thereunto.

These Procedures were formulated on June 14, 2007.

The first amendment was made on June 13, 2019.

The second amendment was made on July 22, 2021.

4. Number of Shares Held and the Minimum Number of Shares to be Held by Each Director

In accordance to Article 26 of Securities and Exchange Act and Article 2 and 4 of Rules and Review Procedure for Director and Supervisor Share Ownership Ratios at Public Companies, as of April 9, 2023 the closing date of the 2023 Annual Shareholders' Meeting, the minimum number of shares held by all directors of the Company and the number of shares held are as follows:

Common Shares Issued				63,702,844 shares			
Legal holding of all directors in number of shares				5,096,228 shares			
Title	Name		Date Elected	Shareholdings when Elected (Note 1)		Current shareholdings	
				Shares	%	Shares	%
Chairman	Uholy Investment Co., Ltd.	Jing Rong Tang	July 22, 2021	6,028,705	10.14	6,457,948	10.14
Director		Sherry Wu					
Director		Steven Huang					
Director	Hung Che Shen		July 22, 2021	-	-	-	-
Independent Director	Jim Wu		July 22, 2021	-	-	-	-
Independent Director	Ming Fang Liang		July 22, 2021	-	-	-	-
Independent Director	Cheng Chung Hsieh (Note 2)		July 22, 2021	293	-	-	-
Legal holding of all directors in number of shares (excluding independent directors)						6,457,948	10.14

Note 1: Total shares as of July 22, 2021 were 59,468,675 common shares.

Note2 : The number of shares held at the time of election was recorded in the shareholder register of the company shares on March 30, 2021.

Cheng Chung Hsieh was elected as an independent director of the Company on July 22, 2021 and the number of shares held was zero