

Stock Symbol: 6187



All Ring Tech Co., Ltd.

All Ring Tech Co., Ltd.

2022 Annual General Meeting

(Physical Shareholder Meeting)

Meeting Handbook

(Translation)

Time: 9:00 a.m., June 9 (Thursday), 2022

Location: No. 23, Luke 5th Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)

(Southern Taiwan Science Park - Kaohsiung Campus)

Notice to Readers:

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

All Ring Tech Co., Ltd.

Meeting Handbook of 2022 Annual General Meeting

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All Ring Tech Co., Ltd.
Agenda of the 2022 Annual General Meeting

I. Call the Meeting to Order

II. Chairperson's Remarks

III. Report Items

IV. Ratification Items

V. Discussion Items

VI. Extraordinary Motions

VII. Meeting Adjournment

All Ring Tech Co., Ltd.
2022 Annual General Meeting
Agenda

- I. Time: 9:00 a.m., June 9 (Thursday), 2022
- II. Location: No. 23, Luke 5th Rd., Luzhu Dist., Kaohsiung City 821, Taiwan (R.O.C.)
(Southern Taiwan Science Park - Kaohsiung Campus)
- III. Call the Meeting to Order
- IV. Chairperson's Remarks: omitted.
- V. Report Items:
 - (I) 2021 Business Report.
 - (II) Review Report of Audit Committee.
 - (III) Report on the Company's Distribution of Compensation to Its Directors and Employees in 2021.
 - (IV) Report on Remuneration of Individual Directors in 2021.
 - (V) Execution Status of Repurchasing Treasury Stocks.
 - (VI) The Status of Endorsements and Guarantees.
 - (VII) Information on Investments in Mainland China.
 - (VIII) Report on the Issuance of the Fourth Domestic Unsecured Convertible Corporate Bonds by the Company.
- VI. Ratification Items:
 - (I) Approval of 2021 Business Report and Financial Statements.
 - (II) Approval of 2021 Profit Distribution Plan.
- VII. Discussion Items:
 - (I) Amendments of the Company's "Articles of Incorporation".
 - (II) Amendments of the "Rules and Procedures of the Shareholders' Meeting" of the Company.
 - (III) Amendments of the "Procedures for Acquisition or Disposal of Assets" of the Company.
- VIII. Extraordinary Motions
- IX. Meeting Adjournment

[Report Items]

(I) 2021 Business Report

For the Company's 2021 Business Report, please refer to Attachment I (page 34-35).

(II) Audit Committee's Review Report

All Ring Tech Co., Ltd.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements and the proposal for distribution of earnings. Yong-Chih Lin and Tsi-Meng Liu the CPAs from PricewaterhouseCoopers Taiwan (PwC Taiwan) was retained to audit the Company's Financial Statements and have issued an audit report relating to the Financial Statements. We have examined the Company's 2020 Business Report, Financial Statements, and the proposal for distribution of earnings that have been approved by the Board of Directors. We hereby respectfully prepare and present this Report in accordance with Article 14-4 of Security Exchange Law and Article 219 of Company Act for your review.

To

2022 Shareholders' Meeting of All Ring Tech Co., Ltd.

All Ring Tech Co., Ltd.

Convener of the Audit Committee: Ming-Hsien Li

February 21, 2022

(III) Report on the Company's Distribution of Compensation to Its Directors and Employees in 2021

Note: the Company will pay NT\$8,433,038 as remuneration to the directors and NT\$46,381,706 to the employees based on the profit situation in 2021 (in cash), no difference from the recognized expenses in 2021.

(IV) Report on Remuneration of Individual Directors in 2021

Note: The remunerations received by the directors of the Company, including the remuneration policy, the content and amount of individual remunerations, and the relationship with performance evaluation, are described as follows:

1. The salary and remuneration of the independent directors and directors of the Company shall be handled in accordance with the “Regulations on Salary and Remuneration of Directors”, except that in accordance with Article 20 of the Company's Articles of Incorporation, the remuneration of directors shall not exceed 3% of the profit of the Company.
 - (1) The salary of independent directors is paid on a monthly basis, regardless of profit or loss, and the independent directors do not participate in the remuneration distribution of directors.
 - (2) The rest of the directors are paid by 0~150% of the peer salary level according to the level of participation and contribution of individual directors to the operation of the Company; for the remuneration paid separately to individual directors, the Remuneration Committee will consider the overall performance of the Board of Directors, the Company's operating performance, and the Company's future operation and risk appetite, propose the distribution proposal, and submit to the Board of Directors for discussion and approval before distribution.
2. For details of the remuneration of individual directors in 2021, please refer to Attachment II (pages 36-37).

(V) Execution Status of Repurchasing Treasury Stocks

Notes 1. According to the provisions of Article 28-2 of the Securities and Exchange Act and the Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies, the status of treasury stock repurchase by the Company is as follows:

The Table of Repurchase of the Company's Shares

Repurchase time	9th repurchase
Purpose of repurchase	Shares Transferred to Employees
Repurchase Period	March 19, 2020 - May 15, 2020
Price Range of Repurchase	NT\$21~60
Type and number of shares repurchased	1,870,000 ordinary shares
Repurchased share value	NT\$66,448,500
The average buyback price per share	NT\$35.5340
Number of Shares Transferred to Employees	0 share
Cumulative number of the company's shares held	1,870,000 shares
Accumulated number of shares held to the total number of shares issued (%)	2.24%

Notes: The shares purchased by the Company for the purpose of transferring shares to employees shall be transferred in full within five years from the date of repurchase. If the shares are not transferred within the time limit, they shall be deemed as unissued shares of the company, and the registration for change of eliminating shares shall be handled in accordance with the law.

(VI) The Status of Endorsements and Guarantees

Notes: In compliance with the company's Operating Procedures for Endorsements/Guarantees, the total amount of endorsement provided by the company shall not exceed 40% of its current net worth. The endorsement provided for any single entity shall not exceed 20% of the company's current net worth. For any single entity in business with the company, the endorsement should not exceed the total amount of transactions with the company in the most recent year (the purchase or sales amount between the two parties, whichever is higher). The net worth is as reported in the latest Financial Statement audited by the accountants.

Unit: NT\$ Thousands; December 31, 2021

Targets	Endorsement/ Guarantee amount	Endorsement/ Guarantee Limit for a Single Enterprise	Maximum Endorsement/Guarantee Limit
Uniring Tech Co., Ltd.	30,000	460,460	920,920

(VII) Information on Investments in Mainland China

The company's investment amount in mainland China and remittance amount to mainland China approved by the Investment Commission of the Ministry of Economic Affairs are as follows:

Unit: US dollar; December 31, 2021

Company Name	Accumulated amount of investment remitted out of China at the end of this period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)
All Ring Tech Co., Ltd.	7,550,714	18,703,961
PAI FU International Limited	2,000,000	

(VIII) Report on the Issuance of the Fourth Domestic Unsecured Convertible Corporate Bonds by the Company

Note: 1. This issuance of corporate bonds - All Ring Four was listed on the OTC on February 22, 2022.

2. All Ring Four is a convertible corporate bond with principal repayment at due date, because the purpose of this fundraising is to enrich working capital, the progress of fund utilization should be reported after the end of each quarter. The conversion conditions and utilization progress are as follows:

(1) It was planned to start the conversion on May 23, 2022, the day following three months after the issuance expiration date, but the conversion was stopped during the period from April 11 to June 9, 2022 in order to cooperate on the operation of the Annual General Meeting. The bond holder can handle the conversion procedures with the brokerage company from June 10, 2022.

(2) Progress of fund utilization:

Unit: Thousands of New Taiwan Dollars

Planned Items	Estimated Completion Date	Total Funds Raised	Estimated Progress of Fund Utilization		
			Q1, 2022	Q2, 2022	Q3, 2022
Enrich working capital	Q3, 2022	1,127,835	120,000	400,000	607,835
Total		1,127,835	120,000	400,000	607,835

Unit: Thousands of New Taiwan Dollars; %

Execution status		As of Q1, 2022
Amount drawn	Reserved	120,000
	Actual	409,680
Execution progress	Reserved	10.64%
	Actual	36.32%

[Ratification Items]

Proposal 1 (Proposed by the Board of Directors)

Proposal: To ratify the 2021 Business Report and Financial Statements.

Notes: 1. The Company's 2021 Annual Business Report and Financial Statements were approved by the Board of Directors and sent to the Audit Committee for review. The Financial Statements were verified by certified accountants Yong-Chih Lin and Tsi-Meng Liu from PwC Taiwan. The report and statements are attached for approval.

2. Please refer to Attachment I (page 34-35): Annual Business Report

Attachment III (pages 38~61): CPA's Audit Report, 2021 Parent Company Only Financial Statements and Consolidated Financial Statements

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Proposal: Ratification of the Company's 2021 earnings distribution.

Note: 1. The Company's 2021 earnings distribution was approved by the Board of Directors on February 21, 2022, and was reviewed by the Audit Committee.

2. The cash dividend of NT\$366,542,559 (NT\$4.50 per share as cash dividend) to be distributed to shareholders in the company's accumulated undistributed surplus in 2021, please refer to Attachment IV (page 62).

Resolution:

[Discussion Items]

Proposal 1 (Proposed by the Board of Directors)

Proposal: Amendment to the Company's "Articles of Incorporation" submitted for resolution.

Note: Refer to the HZYJZ No. 11000115851 letter dated December 29, 2021, it is proposed to amend some provisions of the Articles of Incorporation, and the amendment comparison table is as follows:

Article	Revised Article	Former Article	Notes
Article 9	<p>Shareholders' meeting is divided into two categories; the annual shareholders' meeting is convened every year; it is convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. The interim shareholders 'meeting may be convened in accordance with the law when deemed necessary.</p> <p><u>The Company shall convene the shareholders' meeting by video conference or other methods announced by the central competent authority. However, due to natural disasters, incidents or other force majeure events, the central competent authority may announce that the Company may hold the meeting by video conference or other methods announced within a certain period of time without the revision of the articles of incorporation. When a shareholders' meeting is held by video conference, the shareholders who participate in the meeting by video conference shall be deemed to have attended the meeting in person.</u></p> <p><u>If the provisions of the preceding two paragraphs are otherwise stipulated by the securities regulatory authority, such provisions shall prevail.</u></p>	<p>Shareholders' meeting is divided into two categories; the annual shareholders' meeting is convened every year; it is convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. The interim shareholders 'meeting may be convened in accordance with the law when deemed necessary.</p>	<p>Revised according to HZYJZ No. 11000115851 letter dated December 29, 2021.</p>
Article 22	<p>The Articles of Incorporation was established on May 18, 1996. The first Amendment was approved on July 9, 1996. The following is omitted... <u>The twenty-fourth Amendment will be approved on June 9, 2022.</u></p>	<p>The Articles of Incorporation was established on May 18, 1996. The first Amendment was approved on July 9, 1996. The following is omitted...</p>	<p>Add the amendment date</p>

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Proposal: Amendment to the Rules of Procedures for Shareholders' Meetings submitted for resolution.

Note: In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules, and the amendment comparison table is as follows:

Article	Revised Article	Former Article	Notes
Article 3	<p>Unless otherwise dictated by regulations, the shareholders' meeting is convened by the Board of Directors.</p> <p><u>Changes to the method of convening the shareholders' meeting of the Company shall be subject to a resolution of the Board of Directors, and shall be made before the notice of the shareholders' meeting is sent.</u></p> <p>(The following is omitted)</p> <p>The Company shall prepare shareholders' meeting agenda and related supplemental materials fifteen days before the shareholders' meeting, and make them accessible to shareholders at any time. In addition, the agenda shall be displayed at <u>the Company and the professional stock registrar and transfer agent appointed by the Company.</u></p> <p><u>For the Meeting Handbook and meeting supplementary materials mentioned in the preceding paragraph, the Company shall provide to the shareholders for consultation in the following ways on the day of the shareholders' meeting:</u></p> <p><u>I. When a physical shareholders meeting is held, such materials shall be distributed on the venue of the shareholders meeting.</u></p> <p><u>II. When convening a video-assisted shareholders' meeting, such devices shall be provided on the venue of the shareholders' meeting, and the electronic file shall be transmitted to the video conference platform.</u></p> <p><u>III. When a video shareholders' meeting is convened, the electronic file shall be transmitted to the video conference platform.</u></p> <p>(The following is omitted)</p>	<p>Unless otherwise dictated by regulations, the shareholders' meeting is convened by the Board of Directors.</p> <p>(The following is omitted)</p> <p>The Company shall prepare shareholders' meeting agenda and related supplemental materials 15 days before the shareholders' meeting, and make them accessible to shareholders at any time. In addition, the agenda shall be displayed at the Company and its stock registrar and transfer agent, <u>and distributed on-site at the shareholders' meeting.</u></p> <p>(The following is omitted)</p>	<p>In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules.</p>

Article	Revised Article	Former Article	Notes
Article 4	<p>A shareholder may, with written authorization issued by the Company specifying the scope of authorized rights, appoint a proxy to attend the shareholders' meeting on his behalf.</p> <p>Shareholders may appoint only one proxy by issuing a proxy authorization letter, which shall be delivered to the company five days before the date of shareholders' meeting. In case of repeated proxy authorization letter, the one delivered earliest shall prevail, except for the statement for cancellation of former proxy.</p> <p>After the proxy authorization is submitted to the Company, in case the shareholder wishes to attend the shareholders' meeting in person or to exercise his voting right in writing or electronically, a written notice shall be filed to the Company to rescind the proxy authorization within 2 days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p> <p><u>After the proxy authorization is submitted to the Company, in case the shareholder wishes to attend the shareholders' meeting by video, a written notice shall be filed to the Company to rescind the proxy authorization within 2 days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</u></p>	<p>A shareholder may, with written authorization issued by the Company specifying the scope of authorized rights, appoint a proxy to attend the shareholders' meeting on his behalf.</p> <p>Shareholders may appoint only one proxy by issuing a proxy authorization letter, which shall be delivered to the company five days before the date of shareholders' meeting. In case of repeated proxy authorization letter, the one delivered earliest shall prevail, except for the statement for cancellation of former proxy.</p> <p>After the proxy authorization is submitted to the Company, in case the shareholder wishes to attend the shareholders' meeting in person or to exercise his voting right in writing or electronically, a written notice shall be filed to the Company to rescind the proxy authorization within 2 days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p>	<p>In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules.</p>
Article 5	<p>The venue where a shareholder meeting is to be held shall be in the premises of the company or a location accessible to shareholders and appropriate for holding meetings. Shareholders' meetings shall not begin earlier than 9:00 a.m. or later than 3:00 p.m. The opinions of Independent Directors shall be fully considered in the decision of the location and time of the shareholders' meeting.</p> <p><u>When the Company convenes a video shareholders' meeting, it is not subject to the restrictions on the venue in the preceding paragraph.</u></p>	<p>The venue where a shareholder meeting is to be held shall be in the premises of the company or a location accessible to shareholders and appropriate for holding meetings.</p> <p>Shareholders' meetings shall not begin earlier than 9:00 a.m. or later than 3:00 p.m. The opinions of Independent Directors shall be fully considered in the decision of the location and time of the shareholders' meeting.</p>	

Article	Revised Article	Former Article	Notes
Article 6	<p>The Company shall specify in the shareholders' meeting notices the time period and location for registration of <u>shareholders, solicitors, and proxies (hereinafter referred to as shareholders)</u>, and other matters worthy of attention. <u>If the shareholders' meeting is convened by video, the methods for shareholders to participate and exercise their rights, the method of handling the failure of the video conference platform or the failure to participate by video conference due to force majeure events, as well as the date when the meeting needs to be postponed or resumed, and other matters needing attention shall be recorded; if a video shareholders' meeting is held, appropriate alternative measures for shareholders who have difficulty participating by video shall also be recorded.</u></p> <p>The check-in time described in the preceding paragraph shall be at least 30 minutes prior to the meeting. The check-in counter shall be clearly indicated and competent personnel shall be assigned to help shareholders check in; <u>the shareholders shall check in at the video conference platform 30 minutes prior to the video conference of the shareholders' meeting, and the shareholders who complete the check-in procedures shall be deemed to have attended the shareholders' meeting in person.</u></p> <p>The shareholders shall present the attendance certificate, attendance card or other attendance certificate at the Shareholders' meeting; the solicitor of authorization letters shall carry an identity document for verification.</p> <p>The Company shall prepare a check-in book for shareholders to sign in; shareholders may hand in an attendance card in lieu of signing on the check-in book.</p> <p>The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the shareholders attending the shareholders' meeting. If Directors are to be elected, ballots shall also be provided.</p> <p>When the government or a corporate is a shareholder, it may have more than one representative at a shareholders' meeting. When a corporate is appointed to attend a shareholders' meeting, it may designate only one person to do so. <u>If the shareholders' meeting is held by video conference, the shareholders who wish to attend by video shall register with the Company two days before the shareholders' meeting.</u></p> <p><u>If the shareholders' meeting is held by video conference, the Company shall upload the Meeting Handbook, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting, and continue the disclosure until the close of the meeting.</u></p>	<p>The Company shall specify in the shareholders' meeting notices the time period and location for registration, and other matters worthy of attention.</p> <p>The check-in time described in the preceding paragraph shall be at least 30 minutes prior to the meeting. The check-in counter shall be clearly indicated and competent personnel shall be assigned to help shareholders check in.</p> <p><u>The shareholder or the shareholder proxy (hereinafter referred to as the shareholder)</u> shall present the attendance certificate, attendance card or other attendance certificate at the Shareholders' meeting; the solicitor of authorization letters shall carry an identity document for verification.</p> <p>The Company shall prepare a check-in book for shareholders to sign in; shareholders may hand in an attendance card in lieu of signing on the check-in book.</p> <p>The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the shareholders attending the shareholders' meeting. If Directors are to be elected, ballots shall also be provided.</p> <p>When the government or a corporate is a shareholder, it may have more than one representative at a shareholders' meeting. When a corporate is appointed to attend a shareholders' meeting, it may designate only one person to do so.</p>	<p>In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules.</p>

Article	Revised Article	Former Article	Notes
Article 6-1	<p><u>When the Company holds a video conference of the shareholders' meeting, the following matters shall be specified in the shareholders' meeting notices:</u></p> <p><u>I. Methods for shareholders to participate in video conference and exercise their rights.</u></p> <p><u>II. The methods of handling the failure of the video conference platform or the failure to participate by video conference due to natural disasters, incidents or other force majeure events, which shall at least include the following:</u></p> <p><u>(I) The time when the obstacle persists and cannot be eliminated before the meeting and the meeting needs to be postponed or resumed, and if the meeting has to be postponed or resumed, the date on which the meeting is resumed.</u></p> <p><u>(II) Shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the postponed or resumed meeting.</u></p> <p><u>(III) Where a video-assisted shareholders' meeting is held, if the video conference cannot be continued, after deducting number of shares of the shareholders who participate in the shareholders' meeting by video, if the total number of shares present at the shareholders' meeting reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue, and the number of shares of the shareholders who participate in the shareholders' meeting by video shall be included in the total number of shares of the shareholders present at the shareholders' meeting, but they shall be deemed as abstention for all proposals submitted at this meeting.</u></p> <p><u>(IV) The handling methods for the circumstances where the results of all proposals have been announced, but no extraordinary motion is made.</u></p> <p><u>III. If a video shareholders' meeting is held, appropriate alternative measures for shareholders who have difficulty participating in the meeting by video shall also be recorded.</u></p>		<p>In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules.</p>
Article 8	<p>The Company shall record, uninterruptedly, the full process of the meeting with audio and video, from the beginning of reception, discussions to voting/vote counting.</p> <p>The aforementioned video and audio files shall be kept for at least one year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be retained until the litigation is closed.</p> <p><u>If the shareholders' meeting is held by video conference, the Company shall record and keep the shareholders' sign-in, registration, check-in, questioning, voting and the company's vote counting results, and make continuous and uninterrupted audio and video recording of the entire video conference.</u></p> <p><u>The materials and audio and video recordings in the preceding paragraph shall be properly kept by the Company during the period of existence, and the audio and video recordings shall be provided to the entrusted video conference agent for keeping.</u></p>	<p>The Company shall record, uninterruptedly, the full process of the meeting with audio and video, from the beginning of reception, discussions to voting/vote counting.</p> <p>The aforementioned video and audio files shall be kept for at least one year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be retained until the litigation is closed.</p>	

Article	Revised Article	Former Article	Notes
Article 9	<p>Attendance at a shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall include the shares indicated by the check-in book or the attendance cards handed in and <u>video conference platform register</u>, plus the number of shares whose voting rights are exercised in writing or electronically.</p> <p>The chairman shall call the meeting to order at the appointed meeting time together with such information as the number of non-voting rights and the number of shares present. However, when the attending shareholders have not yet represented a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, are made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned; <u>if the shareholders' meeting is held by video conference, the Company shall also declare the meeting adjourned on the video conference platform of the shareholders' meeting.</u></p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting, which is to be convened within 1 month; <u>if the shareholders' meeting is held by video conference, the shareholders who wish to attend by video shall re-register with the Company in accordance with Article 6.</u></p> <p>When, prior to the close of the shareholders' meeting, the attending shareholders represent one-half of the total number of issued shares, the chair may resubmit the tentative resolution for a vote at the meeting in accordance with Article 174 of the Company Act.</p>	<p>Attendance at a shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall include the shares indicated by the check-in book and the sign-in cards handed in, plus the number of shares whose voting rights are exercised in writing or electronically.</p> <p>The chairman shall call the meeting to order at the appointed meeting time together with such information as the number of non-voting rights and the number of shares present. However, when the attending shareholders have not yet represented a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, are made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting, which is to be convened within 1 month.</p> <p>When, prior to the close of the shareholders' meeting, the attending shareholders represent one-half of the total number of issued shares, the chair may resubmit the tentative resolution for a vote at the meeting in accordance with Article 174 of the Company Act.</p>	<p>In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules.</p>

Article	Revised Article	Former Article	Notes
Article 11	<p>An attending shareholder shall, before speaking, complete a speaker’s slip indicating the subject of speech, shareholder’s account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the chair.</p> <p>An attending shareholder who has submitted a speaker's slip but did not speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the content of the speech shall prevail.</p> <p>Unless permitted by the chair, a shareholder shall not speak more than twice on a proposal, and each speech shall not exceed five minutes. If the shareholder's speech violates the regulations or diverges from the agenda, the chair may terminate it. Unless permitted by the chairman and the shareholder who has the floor, no shareholder shall interrupt the speech; otherwise the chair shall stop such interruption.</p> <p>When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on a proposal.</p> <p>After an attending shareholder has finished his/her speech, the chair may respond in person or appoint relevant personnel to respond.</p> <p><u>If the shareholders’ meeting is held by video conference, the shareholders participating by video may, after the chair announces the opening of the meeting and before the adjournment, ask questions on the video conference platform of the shareholders’ meeting in written form. The number of questions asked for each proposal shall not exceed two, and each question shall be limited to 200 words. The provisions of paragraphs 1 to 5 shall not apply.</u></p> <p><u>If the questions mentioned in the preceding paragraph do not violate the regulations or do not exceed the scope of the proposal, such questions shall be disclosed on the video conference platform of the shareholders' meeting for public knowledge.</u></p>	<p>An attending shareholder shall, before speaking, complete a speaker’s slip indicating the subject of speech, shareholder’s account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the chair.</p> <p>An attending shareholder who has submitted a speaker's slip but did not speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the content of the speech shall prevail.</p> <p>Unless permitted by the chair, a shareholder shall not speak more than twice on a proposal, and each speech shall not exceed five minutes. If the shareholder's speech violates the regulations or diverges from the agenda, the chair may terminate it. Unless permitted by the chairman and the shareholder who has the floor, no shareholder shall interrupt the speech; otherwise the chair shall stop such interruption.</p> <p>When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on a proposal.</p> <p>After an attending shareholder has finished his/her speech, the chair may respond in person or appoint relevant personnel to respond.</p>	<p>In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules.</p>

Article	Revised Article	Former Article	Notes
Article 13	<p>A shareholder shall be entitled to one vote for each share, except when the shares are deemed restricted shares or non-voting shares under Paragraph 2, Article 179 of the Company Act. (The following is omitted)</p> <p>After a shareholder has exercised his voting rights in writing or electronically, if he wishes to attend the meeting in person <u>or by video</u>, he shall withdraw, in the same manner, the previous exercise of voting rights no later than two days before the shareholders' meeting. Once the withdrawal is overdue, the previous exercise of voting rights in writing or electronically shall prevail.</p> <p>(The following is omitted)</p> <p>When voting on motions or elections, the vote counting shall be conducted at an open space in the shareholders' meeting, and the results, including weights, shall be announced immediately after counting and recorded.</p> <p><u>When the Company convenes a video conference of the shareholders' meeting, the shareholders who participate by video shall vote on various resolutions and election proposals through the video conference platform after the chair announces the opening of the meeting, and shall complete the voting before the chair announces the close of voting, otherwise it will be deemed as abstention.</u></p> <p><u>If the shareholders' meeting is held by video conference, after the chair announces the close of voting, the votes shall be counted at one time, and the voting and election results shall be announced.</u></p> <p><u>When the Company holds a video-assisted shareholders' meeting, the shareholders, solicitors or proxies who have registered to attend the shareholders' meeting by video in accordance with the provisions of Article 6 and wish to attend the physical shareholders' meeting in person, shall cancel the registration in the same way as the registration two days before the shareholders' meeting; if the registration is not cancelled within the deadline, the shareholders' meeting can only be attended by video.</u></p> <p><u>Those who exercise their voting rights in writing or electronically without revoking their declaration of intention and participate in the shareholders' meeting by video shall not exercise their voting rights on the original proposal or propose amendments to the original proposal or exercise the voting rights for the amendments to the original proposal, except for the extraordinary motions.</u></p>	<p>A shareholder shall be entitled to one vote for each share, except when the shares are deemed restricted shares or non-voting shares under Paragraph 2, Article 179 of the Company Act. (The following is omitted)</p> <p>After a shareholder has exercised his voting rights in writing or electronically, if he wishes to attend the meeting in person, he shall withdraw, in the same manner, the previous exercise of voting rights no later than two days before the shareholders' meeting. Once the withdrawal is overdue, the previous exercise of voting rights in writing or electronically shall prevail.</p> <p>(The following is omitted)</p> <p>When voting on motions or elections, the vote counting shall be conducted at an open space in the shareholders' meeting, and the results, including weights, shall be announced immediately after counting and recorded.</p>	<p>In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules.</p>
Article 15	<p>The resolutions made in a shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.</p> <p><u>If the shareholders' meeting is held by video conference, the minutes shall record, in addition to the matters to be recorded in the preceding paragraph, the starting and ending time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the recorder, the appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting by video, and the handling methods and handling circumstances for the failure of video conference platform or the failure to participate by video due to force majeure.</u></p>	<p>The resolutions made in a shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.</p>	<p>In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules.</p>

Article	Revised Article	Former Article	Notes
Article 16	<p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement detailing the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, <u>and the number of shares attended by shareholders in writing or electronically</u>, and the Company shall disclose explicitly the statement at the shareholders meeting; <u>if the shareholders' meeting is held by video conference, the Company shall upload the above-mentioned information to the video conference platform of the shareholders' meeting at least 30 minutes before the opening of the meeting, and continue the disclosure until the close of the meeting.</u></p> <p><u>If the shareholders' meeting is held by video conference, the Company shall, when announcing the opening of the meeting, disclose the shareholders' attendance rights on the video conference platform. If any person is separately assigned to count the attendance rights at the meeting, the same provisions shall apply.</u></p> <p>If a matter put to a resolution at a shareholders' meeting constitutes material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the Market Observation Post System (MOPS) within the prescribed time period.</p>	<p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement detailing the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies; the Company shall disclose explicitly the statement at the shareholders meeting.</p> <p>If a matter put to a resolution at a shareholders' meeting constitutes material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the Market Observation Post System (MOPS) within the prescribed time period.</p>	
Article 19	<p><u>If the shareholders' meeting is held by video conference, the Company shall, immediately after the end of voting, disclose the voting results and election results of various proposals on the video conference platform of the shareholders' meeting in accordance with the regulations, and shall continue the disclosure for at least 15 minutes after the chair announces the adjournment of the meeting.</u></p>	<p>The Rules and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.</p>	<p>A new provision, the original Article 19 is adjusted as Article 22</p>
Article 20	<p><u>When the Company holds a video shareholders' meeting, the chair and the recorder shall be at the same domestic place, and the chair shall announce the address of the place at the time of the meeting.</u></p>		<p>In order to cooperate with the competent authority to revise the procedures to make the shareholders' meeting able to be held by video conference or other methods announced, it is proposed to add and amend some provisions of these Rules.</p>

Article	Revised Article	Former Article	Notes
Article 21	<p><u>If the shareholders' meeting is held by video conference, the Company shall provide a simple connection test for shareholders before the meeting, and provide relevant services immediately before and during the meeting to assist in handling technical problems of communication.</u></p> <p><u>If the shareholders' meeting is held by video conference, the chair shall, when announcing the opening of the meeting, separately announce the postponement of the shareholders' meeting or the resuming date of the meeting due to the failure of the video conference platform or the failure to participate by video for more than 30 minutes caused by force majeure events before the chair announces the adjournment of the meeting, except the circumstances where postponement or continuation of the meeting is not needed as stipulated in Article 44-20 of the Standards for Stock Registration and Transfer of Publicly Offering Companies; the provisions of Article 182 of the Company Act shall not apply.</u></p> <p><u>When the shareholders' meeting is postponed or resumed in accordance with the provisions of the preceding paragraph, it is not necessary to discuss and resolve again on the resolutions for which the voting and counting of votes have been completed, and the voting results or the list of elected directors and supervisors have been announced.</u></p> <p><u>When postponing or resuming the meeting in accordance with the provisions of Paragraph 2, the Company shall handle the relevant preparatory matters in accordance with the provisions set forth in Article 44-20-4 of the Standards for Stock Registration and Transfer of Publicly Offering Companies, the date of the original shareholders' meeting and the provisions of this Article, and the shareholders who are listed in the register of shareholders whose transfer is scheduled to be stopped at the shareholders' meeting are entitled to attend the shareholders' meeting.</u></p> <p><u>During the period specified in the last paragraph of Article 12 and Article 13-3 of the Rules for the Use of Power of Attorney for Publicly Offering Companies to Attend Shareholders' Meetings, as well as Article 44-5-2, Article 44-15 and Article 44-17-1 of the Standards for Stock Registration and Transfer of Publicly Offering Companies, the Company shall handle according to the postponement or resuming of the date of the shareholders' meeting specified in Paragraph 2.</u></p> <p><u>Where the Company convenes a video-assisted shareholders' meeting and the video conference cannot be continued as specified in the second paragraph, if the total number of shares present after deducting the number of shares present at the shareholders' meeting by video still reaches the statutory quota for the resolution of the shareholders' meeting, the shareholders' meeting shall continue without postponement or resuming of the shareholders' meeting as specified in Paragraph 2.</u></p> <p><u>When convening a video conference of shareholders' meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulty participating in the shareholders' meeting by video.</u></p>		
Article 22	The Rules and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.		A new provision, the original Article 19 is adjusted as Article 22

Resolution:

Proposal 3 (Proposed by the Board of Directors)

To vote on the Amendments to the company's "Procedures for Acquisition or Disposal of Assets".

Note: According to JGZFFZ No. 11103804655 Letter issued by the Financial Supervision and Management Committee on January 28, 2022, it is proposed to amend some provisions of the Company's "Procedures for Acquisition or Disposal of Assets", and the amendment comparison table is as follows:

Article	Revised Article	Former Article	Notes
Article 6	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. Omitted. II. Omitted. III. Omitted.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>self-discipline standards of each trade association to which it belongs</u> and the following provisions:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations. 	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I. Omitted. II. Omitted. III. Omitted.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy,</u> and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion. 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <u>and accurate</u>, and that they have complied with applicable laws and regulations. 	<p>Revised according to according to JGZFFZ No. 11103804655 Letter issued by the Financial Supervision and Management Committee on January 28, 2022</p>

Article	Revised Article	Former Article	Notes
Article 7	<p>Procedures for acquisition or disposal of real property, equipment or its right-of-use assets</p> <p>I. Assessment and operating procedures: Omitted</p> <p>II. Procedures for determining transaction conditions and authorization limit: Omitted</p> <p>III. Implementing unit: Omitted</p> <p>IV. Appraisal report on real property, equipment or its right-of-use assets:</p> <p>Except for transactions with domestic government institutions, entrusted building on the company's own land or on leased land, or acquisition or disposal of operating equipment, if the transaction amount for acquisition or disposal of real property, equipment or its right-of-use assets reaches 20% of the company's paid-in capital or is more than NT\$300 million, the appraisal report issued by professional appraiser shall be obtained before the occurrence date, and shall comply with the following provisions:</p> <p>(I) Omitted</p> <p>(II) Omitted</p> <p>(III) In case of any following conditions occur according to the result of appraisal made by professional appraiser, the difference between the appraisal amount of assets and transaction amount shall be fairly presented, together with the reasons for the difference and the reasonableness of transaction price. This shall not apply to appraisal result of asset that is higher than the transaction amount.</p> <p>1. The difference between the appraisal result and transaction amount is more than 20% of the transaction amount.</p> <p>2. The difference between the appraisal result by more than two professional appraisers is over 10% of the transaction amount.</p> <p>(IV) Omitted</p> <p>(V) Omitted</p>	<p>Procedures for acquisition or disposal of real property, equipment or its right-of-use assets:</p> <p>I. Assessment and operating procedures: Omitted</p> <p>II. Procedures for determining transaction conditions and authorization limit: Omitted</p> <p>III. Implementing unit: Omitted</p> <p>IV. Appraisal report on real property, equipment or its right-of-use assets: Except for transactions with domestic government institutions, entrusted building on the company's own land or on leased land, or acquisition or disposal of operating equipment, if the transaction amount for acquisition or disposal of real property, equipment or its right-of-use assets reaches 20% of the company's paid-in capital or is more than NT\$300 million, the appraisal report issued by professional appraiser shall be obtained before the occurrence date, and shall comply with the following provisions:</p> <p>(I) Omitted</p> <p>(II) Omitted</p> <p>(III) In case of any following conditions occur according to the result of appraisal made by professional appraiser, the difference between the appraisal amount of assets and transaction amount shall be fairly presented in accordance with the International Financial Reporting Standards 20 issued by the ARDE, together with the reasons for the difference and the reasonableness of transaction price. This shall not apply to appraisal result of asset that is higher than the transaction amount.</p> <p>1. The difference between the appraisal result and transaction amount is more than 20% of the transaction amount.</p> <p>2. The difference between the appraisal result by more than two professional appraisers is over 10% of the transaction amount.</p> <p>(IV) Omitted</p> <p>(V) Omitted</p>	

Article	Revised Article	Former Article	Notes
Article 8	<p>Procedures for acquisition or disposal of securities investment</p> <p>I. Assessment and operating procedures: Omitted</p> <p>II. Procedures for determining transaction conditions and authorization limit: Omitted</p> <p>III. Implementing unit: Omitted</p> <p>IV. Obtaining expert's opinions</p> <p>(I) For acquisition or disposal of securities by the company, the most recent financial statements of the target company which have been verified or audited by CPA(s) shall be obtained before the occurrence date and used as the reference for evaluating the transaction price and, if the transaction amount reaches 20% of the company's paid-in capital or is more than NT\$ 300 million, opinion on the reasonableness of the transaction price shall be obtained from the accountant before the occurrence date. Except for the securities which have quoted price in active market, or unless otherwise stipulated by FSC (hereinafter referred as "Committee"), the above regulation does not apply.</p> <p>(II) If the company acquires or disposes of assets through the auction conducted by court, appraisal report or accountant's opinion shall be replaced with the proof document issued by court.</p>	<p>Procedures for acquisition or disposal of securities investment</p> <p>I. Assessment and operating procedures: Omitted</p> <p>II. Procedures for determining transaction conditions and authorization limit: Omitted</p> <p>III. Implementing unit: Omitted</p> <p>IV. Obtaining expert's opinions</p> <p>(I) For acquisition or disposal of securities by the company, the most recent financial statements of the target company which have been verified or audited by CPA(s) shall be obtained before the occurrence date and used as the reference for evaluating the transaction price and, if the transaction amount reaches 20% of the company's paid-in capital or is more than NT\$ 300 million, opinion on the reasonableness of the transaction price shall be obtained from the accountant before the occurrence date and, if the accountant needs to refer to the expert's report, he/she shall conduct in accordance with the International Financial Reporting Standards 20 announced by the ARDF. Except for the securities which have quoted price in active market, or unless otherwise stipulated by FSC (hereinafter referred as "Committee"), the above regulation does not apply.</p> <p>(II) If the company acquires or disposes of assets through the auction conducted by court, appraisal report or accountant's opinion shall be replaced with the proof document issued by court.</p>	<p>Revised according to JGZFF No. 11103804655 Letter issued by the Financial Supervision and Management Committee on January 28, 2022</p>

Article	Revised Article	Former Article	Notes
Article 9	<p>Transaction with related parties</p> <p>I. Omitted</p> <p>II. Evaluation and operating procedures</p> <p>If the company intends to acquire or dispose of real property or the right-of-use assets thereof from or to related party, or if it intends to acquire or dispose of assets other than real property or the right-of-use assets thereof from or to related party and the transaction amount reaches 20 % or more of the company’s paid-in capital, 10 % or more of the company's total assets, or NT\$300 million or more, trading contracts shall be signed and payment shall be made for the following items, <u>only after the following documents are submitted to the Board of Directors for approval and to the Audit Committee for recognition</u>, except for the trading of domestic government bonds or the bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p>	<p>Transaction with related parties</p> <p>I. Omitted</p> <p>II. Evaluation and operating procedures</p> <p>If the company intends to acquire or dispose of real property or the right-of-use assets thereof from or to related party, or if it intends to acquire or dispose of assets other than real property or the right-of-use assets thereof from or to related party and the transaction amount reaches 20 % or more of the company’s paid-in capital, 10 % or more of the company's total assets, or NT\$300 million or more, trading contracts shall be signed and payment shall be made for the following items, except for the trading of domestic government bonds or the bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>Transaction amount shall be calculated in accordance with item (VI) of Paragraph 1 of Article 14, and “within the preceding year” refers to the year preceding the actual occurrence date of the transaction, except for the transaction approved for acknowledgement at the meeting of Board of Directors in accordance with the rules. The Board shall authorize Chairman to approve the following transactions between the company and its parent company or subsidiaries, or the</p>	<p>Revised according to JGZFFZ No. 11103804655 Letter issued by the Financial Supervision and Management Committee on January 28, 2022</p>

Article	Revised Article	Former Article	Notes
	<p><u>(I) The purpose, necessity and anticipated benefits of the acquisition or disposal of assets.</u></p> <p><u>(II) The reason for choosing related party as a transaction object.</u></p> <p><u>(III) For acquisition of real property or its right-of-use assets from related parties, information related to the appropriateness of preliminary transaction conditions shall be evaluated in accordance with Paragraph 3 of this Article.</u></p> <p><u>(IV) The date when and the price at which the related party originally acquires assets, transaction object, and its relation with the company and related party etc.</u></p> <p><u>(V) The cash income and expenditure statements of each month in the following year after the anticipated month in which contract will be signed, and evaluation on the necessity of the transaction and reasonableness of fund use.</u></p> <p><u>(VI) The appraisal report issued by professional appraiser or accountant's opinion as obtained in accordance with the aforementioned provision.</u></p> <p><u>(VII) Restrictions and other important stipulations for the transaction. If the Company or its non-domestic subsidiaries executes such transaction, and the transaction amount exceeds 10% of the Company's total assets, the Company shall submit all</u></p>	<p>subsidiaries directly or indirectly holding 100% of issued shares or total capital, within a certain authorized scope, in accordance with various procedures, which shall reported at the most recent meeting of Board of Directors on an after-event basis:</p> <p>I. Acquisition or disposal of operating equipment or its right-of-use assets</p> <p>II. Acquisition or disposal of the right-of-use assets of operating real property</p> <p>The company has set Independent Directors in accordance with law. Upon discussion at the meeting of Board of Directors, the opinions of Independent Directors shall be considered fully and, if any Independent Director has dissenting or qualified opinions, such opinions shall be recorded in the minutes of meeting of Board of Directors.</p> <p><u>D) The purpose, necessity and anticipated benefits of the acquisition or disposal of assets.</u></p> <p><u>(II) The reason for choosing related party as a transaction object.</u></p> <p><u>(III) For acquisition of real property or its right-of-use assets from related parties, information related to the appropriateness of preliminary transaction conditions shall be evaluated in accordance with Paragraph 3 of this Article.</u></p> <p><u>(IV) The date when and the price at which the related party originally acquires assets, transaction object, and its relation with the company and related party etc.</u></p> <p><u>(V) The cash income and expenditure statements of each month in the following year after the anticipated month in which contract will be signed, and evaluation on the necessity of the transaction and reasonableness of fund use.</u></p> <p><u>(VI) The appraisal report issued by professional appraiser or accountant's opinion as obtained in accordance with the aforementioned provision.</u></p> <p><u>(VII) Restrictions and other important stipulations for the transaction.</u></p>	

Article	Revised Article	Former Article	Notes
	<p data-bbox="395 188 758 479"><u>documents listed in this item to the shareholders' meeting for approval before the trading contract is signed and payment is made. However, the transaction between the Company and its parent company and subsidiaries, or the transaction between different subsidiaries is not subject to the this limit.</u></p> <p data-bbox="395 479 758 1205">Transaction amount shall be calculated in accordance with item (VI) of Paragraph 1 of Article 14, and “within the preceding year” refers to the year preceding the actual occurrence date of the transaction, except for the transaction approved for acknowledgement at the meetings of <u>Shareholders' Meeting and</u> Board of Directors in accordance with the rules. The Board shall authorize Chairman to approve the following transactions between the company and its parent company or subsidiaries, or the subsidiaries directly or indirectly holding 100% of issued shares or total capital, within a certain authorized scope, in accordance with various procedures, which shall reported at the most recent meeting of Board of Directors on an after-event basis:</p> <p data-bbox="331 1211 742 1294">I. Acquisition or disposal of operating equipment or its right-of-use assets</p> <p data-bbox="331 1301 742 1384">II. Acquisition or disposal of the right-of-use assets of operating real property</p> <p data-bbox="395 1391 758 1733">The company has set Independent Directors in accordance with law. Upon discussion at the meeting of Board of Directors, the opinions of Independent Directors shall be considered fully and, if any Independent Director has dissenting or qualified opinions, such opinions shall be recorded in the minutes of meeting of Board of Directors.</p>		

Article	Revised Article	Former Article	Notes
Article 10	<p>Procedures for acquisition or disposal of intangible assets or their right-of-use assets or membership</p> <p>I. Assessment and operating procedures: Omitted</p> <p>II. Procedures for determining transaction conditions and authorization limit: Omitted</p> <p>III. Implementing unit: Omitted</p> <p>IV. Expert's analysis report on intangible assets or their right-of-use assets or membership</p> <p>Except for transactions with government institutions, if the transaction amount for acquisition or disposal of intangible assets or their right-of-use assets or membership reaches 20% of the company's paid-in capital or is more than NT\$300 million, accountant's opinion on the reasonableness of the transaction price shall be required before the occurrence date.</p>	<p>Procedures for acquisition or disposal of intangible assets or their right-of-use assets or membership</p> <p>I. Assessment and operating procedures: Omitted</p> <p>II. Procedures for determining transaction conditions and authorization limit: Omitted</p> <p>III. Implementing unit: Omitted</p> <p>IV. Expert's analysis report on intangible assets or their right-of-use assets or membership</p> <p>Except for transactions with government institutions, if the transaction amount for acquisition or disposal of intangible assets or their right-of-use assets or membership reaches 20% of the company's paid-in capital or is more than NT\$300 million, accountant's opinion on the reasonableness of the transaction price shall be required before the occurrence date, <u>and the accountant shall comply with the International Financial Reporting Standards 20 issued by the ARDF.</u></p>	<p>Revised according to JGZFF No. 11103804655 Letter issued by the Financial Supervision and Management Committee on January 28, 2022</p>

Article	Revised Article	Former Article	Notes
Article 14	<p>Procedures for disclosure of information</p> <p>For acquisition or disposal of assets by public offering company, in case of any following conditions, relevant information shall be reported on the designated website, in stipulated form, depending on its nature, within two days immediately after the occurrence date:</p> <p>I Omitted</p> <p>VI</p> <p>VII. If transaction amount reaches 20% of the company's paid-in capital or is more than NT\$300 million, except for the assets trading, disposal of claims by financial institutions or investment in mainland China specified in the above six paragraphs. However, this provision shall not apply to the following conditions:</p> <ol style="list-style-type: none"> Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than sovereign rating of our country.</u> Securities trading in securities exchange or the business place of securities firm, or subscription of <u>foreign government bonds or corporate ordinary bonds privately offered and the general financial bonds not involving equity (excluding the secondary bonds) in primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of index investment securities,</u> or subscription of securities due to securities firm's needs for underwriting or in accordance with the Taiwan Regulations for Security Trading Center, mainly engaging in investment. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (The following is omitted) 	<p>Procedures for disclosure of information</p> <p>For acquisition or disposal of assets by public offering company, in case of any following conditions, relevant information shall be reported on the designated website, in stipulated form, depending on its nature, within two days immediately after the occurrence date:</p> <p>I Omitted</p> <p>VI</p> <p>VII. If transaction amount reaches 20% of the company's paid-in capital or is more than NT\$300 million, except for the assets trading, disposal of claims by financial institutions or investment in mainland China specified in the above six paragraphs. However, this provision shall not apply to the following conditions:</p> <ol style="list-style-type: none"> Trading of domestic government bonds. Securities trading in securities exchange or the business place of securities firm, or subscription of corporate ordinary bonds privately offered and the general financial bonds not involving equity (excluding the secondary bonds) in primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription of securities due to securities firm's needs for underwriting or in accordance with the Taiwan Regulations for Security Trading Center, mainly engaging in investment. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. (The following is omitted) 	<p>Revised according to JGZFF No. 11103804655 Letter issued by the Financial Supervision and Management Committee on January 28, 2022</p>

Resolution:

[Extraordinary Motions]

[Meeting Adjournment]

[Attachment]

All Ring Tech Co., Ltd.

Attachment I

Business Report

I. Operating Principle

Customer service and satisfaction are at the core of our principles. Integrating corporate resources into developing R&D and marketing, the Company continues to root in the making of semiconductors, passive components, and LED industry equipments. Meanwhile, the Company will make full use of external resources to expand the scale of operations, and introduce high-level talents to actively innovate in R&D in order to create higher shareholder value.

II. Execution Overview

In addition to maintaining current customers, our future operating key strategy will strive to seek new customers. Other key strategies include focusing on research and development, improving customers' satisfaction, keeping the leading position in the industrial equipment market, and achieve better operating performance.

III. Business Performance:

The consolidated net operating income of the company in 2021 is NT\$2,604,316,000, an increase of 72.89% compared with NT\$1,506,320,000 in 2020; the consolidated net profit in this period is NT\$541,223,000, an increase of 119.26% compared with NT\$246,844,000 in 2020.

IV. Budget Execution

The Company's financial forecast for 2021 is not disclosed, so it is not applicable.

V. Profitability Analysis

Due to the impact of the COVID-19 epidemic for the current year, the demands for home office, distance learning, cloud computing increase, driving the demand for related electronic products to increase rapidly. In addition, the Internet of Things and heterogeneous integration generated from 5G applications have led to the growth of the electronics industry, driving the plant expansion and equipment purchase of customers, resulting in an increase of consolidated operating income compared with that in 2021. Although the gross profit margin decreased slightly by 2% compared with that in 2020, the operating expenses increased slightly with the operating income. This year, the consolidated net profit reached NT\$541,223,000, a significant increase from 2020.

VI. Research Development Status

The company has been cultivating in the semiconductor, passive components and LED devices industries for many years. Being the best supplier for customers, it has continued to develop new equipment and improve the efficiency of existing equipment in order to keep in line with manufacturing processes. Recently, the company has also begun to focus on its core capabilities of developing visionary and innovative application technology, with a view to achieving a leading position in the industry and creating the greatest benefits for shareholders.

Chairman of the Board:
Ching-Lai Lu

Manager:
Hsin-Yao Cheng

Accounting Supervisor:
Hsiao-Mei Wang

Details of Remuneration of Individual Directors for 2021

Unit: Thousand shares/NT\$ thousand; December 31, 2021

Title	Name	Director Remuneration								Percentage of the total sums of A, B, C and D to net income after tax (Note 11)		Remuneration Paid to Concurrent Employees								Total Compensation (A+B+C+D+E+F+G) to Net Income After Tax Ratio (%) (Note 10)		Reinvestment remuneration received from companies other than subsidiaries (Note 11)
		Compensations (A) (Note 2)		Severance Pay and Pension (B)		Director Compensation (C) (Note 3)		Expenses from Professional Practice (D) (Note 4)				Salaries, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pension (F)		Employee Remuneration (G) (Note 6)						
		The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company	All companies included into the financial statement (Note 7)	The Company		All companies included into the financial statement (Note 7)		The Company	All companies included into the financial statement (Note 7)			
												Cash Amount	Stock Amount	Cash Amount	Stock Amount							
Chairman of the Board	Ching-Lai Lu					2,806	2,806	48	48	0.53	0.53	3,383	3,383	-	-	-	-	-	-	1.15	1.15	None
Director	Hsin-Yao Cheng	-	-	-	-	1,875	1,875	48	48	0.36	0.36	4,383	4,383	-	-	1,017	-	1,017	-	1.35	1.35	None
Director	Li Chiao Investment Co., Ltd.	-	-	-	-	938	938	-	-	0.17	0.17	-	-	-	-	-	-	-	-	0.17	0.17	None
Representative Director	Yu-Ru Chong (Note 1)	-	-	-	-	-	-	48	48	0.009	0.009	-	-	-	-	-	-	-	-	0.009	0.009	None
Director	Chien-Chang Chen	-	-	-	-	938	938	40	40	0.18	0.18	-	-	-	-	-	-	-	-	0.18	0.18	None
Director	Hanlin Construction Co., Ltd.	-	-	-	-	938	938	-	-	0.17	0.17	-	-	-	-	-	-	-	-	0.17	0.17	None
Representative Director	Ching-Han Chiu Huang (Note 2)	-	-	-	-	-	-	24	24	0.004	0.004	-	-	-	-	-	-	-	-	0.004	0.004	None
Director	Keen Honest Investment Limited					938	938	-	-	0.17	0.17	-	-	-	-	-	-	-	-	0.17	0.17	None
Representative Director	Ching-Hsu Tsai (Note 3)							24	24	0.004	0.004	-	-	-	-	-	-	-	-	0.004	0.004	None
Independent Director	Ming-Hsien Li (Note 4)	360	360	-	-	-	-	56	56	0.08	0.08	-	-	-	-	-	-	-	-	0.08	0.08	None
Independent Director	Cho-Hua Kuang (Note 4)	360	360	-	-	-	-	48	48	0.08	0.08	-	-	-	-	-	-	-	-	0.08	0.08	None
Independent Director	Chang-Jen Chen (Note 4)	360	360	-	-	-	-	40	40	0.07	0.07	-	-	-	-	-	-	-	-	0.07	0.07	None

(Note 1): Ms. Yu-Ru Chong is the corporate representative of the Company's corporate director Li Chiao Investment Co., Ltd.

(Note 2): Mr. Ching-Han Chiu Huang is the representative of the company's institutional Director, Hanlin Construction Co., Ltd.

(Note 3): Mr. Ching-Hsu Tsai is the representative of the company's institutional Director, Hanlin Construction Co., Ltd.

(Note 4): Please refer to Page 7 regarding remuneration policies, systems, standards, and structures for Independent Directors and linkage thereof to powers, risks, and time spent.

Table of Remuneration Ranges

Range of Remuneration Paid to the Directors of the Company	Names of Directors			
	Total of the first four items (A+B+C+D)		Total of the first seven items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included into the financial statement (Note 9) I	The Company (Note 8)	All companies included into the financial statement (Note 9) J
Less than NT\$1,000,000	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Jao-Hwa Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Jao-Hwa Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Jao-Hwa Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai	Yu-Ru Chong, Chien-Chang Chen, Ming-Hsien Li, Jao-Hwa Kuang, Chang-Jen Chen, Ching-Han Chiu Huang, and Ching-Hsu Tsai
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Hsin-Yao Cheng	Hsin-Yao Cheng	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Ching-Lai Lu	Ching-Lai Lu	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	-	-	Ching-Lai Lu, Hsin-Yao Cheng	Ching-Lai Lu, Hsin-Yao Cheng
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Grand Total	9	9	9	9

(Note 1): The names of Directors shall be listed separately (for corporate shareholders, the names of corporate shareholders and representatives shall be listed separately); the names of Directors and Independent Directors shall be listed separately, and the payments shall be disclosed collectively.

(Note 2): Remuneration to the Director in the past year (including salary, additional pay, severance pay, bonuses and rewards).

(Note 3): The amount of the remuneration paid to the Director in the most recent year as approved by the Board of Directors shall be filled out.

(Note 4): Business expenses paid out to directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please note the remuneration paid to such driver. However, such remuneration shall not be included.

(Note 5): Remuneration for directors concurrently holding positions in the company (for positions that include the General Manager, Vice President, other managerial officers, or employees) shall include salaries, job remuneration, severance, bonuses, performance fees, transport fees, special expenses, various subsidies, accommodation, vehicles, and provision of physical items and services. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please note the remuneration paid to such driver. However, such remuneration shall not be included. Any compensation listed under the Share-Based Payment of IFRS 2, including the issuance of employee stock options, restricted employee shares, and subscription of cash capital increase by stock shall also be included in the remuneration.

(Note 6): For Directors concurrently holding positions in the company in the most recent year (including the President, Vice Presidents, other managerial officers, or employees) and receiving the remuneration (including stock and cash), the employee remuneration paid in the most recent year upon the approval of the Board of Directors before the Shareholders' Meeting shall be disclosed. If such remuneration cannot be estimated, the remuneration to be distributed in the most recent year shall be based on the proportion of the remuneration distributed last year and filled in Table 1-3.

(Note 7): The name of each director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the directors by the Company.

(Note 8): Total remuneration paid to every director of the Company by all companies (including the Company) listed in the consolidated financial report shall be disclosed. The name of the director shall also be disclosed in the corresponding range of the remuneration.

(Note 9): The after-tax net profit refers to the after-tax net profit in the most recent fiscal year; for companies that have adopted IFRSs, the after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

(Note 10)a. This field shall clearly indicate the amount of remuneration received by the Company's director from a reinvestment business other than a subsidiary or from the parent company (if not, please fill in "none").

b. If a director of the Company receives remuneration from investees other than subsidiaries of the Company or from the parent company, the said remuneration shall be included in the column D in the remuneration range table and the name of the field shall be changed to "Parent Company and All Reinvestment Businesses."

c. Remuneration in this case shall refer to compensation, consideration, employee benefits, and expenses of business execution and other related payments received for being a Director, Supervisor, or managerial officer of other non-subsidiary companies that the company has invested in or of the parent company.

* The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of All Ring Tech Co., Ltd. (the "Company") as at December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, 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 generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

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

Revenue recognition

Description

Refer to Note 4(27) for accounting policies on revenue recognition.

The sales revenue of the Company is primarily from the assembly and sales of equipment. Based on the terms of the sale agreement, sales revenue is recognised when the control of the goods sold is transferred to the customer after the installation of the goods or the acceptance of the goods by the customer, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. As the transfer of control of the goods to the customer in a sale transaction involves manual process and judgement, there exists a risk of material misstatement that may arise from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are usually material. Thus, we considered the cutoff of revenue a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding and assessed the accounting policy on revenue recognition.
2. Understood and assessed internal control over revenue recognition, tested the effectiveness of internal controls over the shipment of goods and verified the timing of revenue recognition.
3. Tested the cutoff of transactions that occurred a certain time before or after the balance sheet date in order to verify whether the control of the goods for which revenue has been recognised was transferred, and whether revenue was recorded in the appropriate period.

Evaluation of inventories

Description

Refer to Note 4(8) to the parent company only financial statements for the accounting policy on inventory valuation, Note 5(2) for information on the uncertainty of accounting estimates and assumptions on inventory valuation, and Note 6(4) for information on allowance for inventory valuation losses. As of December 31, 2021, inventory and allowance for inventory valuation losses were NT\$724,449 thousand and NT\$55,781 thousand, respectively.

The Company develops, manufactures, and assembles production equipment for semiconductors and passive components. Due to rapid changes in technology, the risk of the materials inventory of related equipment incurring valuation losses or becoming obsolete is high. Inventories are stated at the lower of cost and net realizable value. The net realizable value of inventory that is over a certain age or individually identified as obsolete is determined based on the historical information on inventory obtained by management from periodic inspections.

The technology related to the Company's products is rapidly changing, and the determination of the net realizable value of inventory identified as obsolete involves subjective judgement. Thus, we considered the evaluation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Ensured consistent application and assessed the reasonableness of the Company's policies and procedures on setting allowance for inventory valuation losses according to applicable accounting principles and the auditors' understanding of the nature of the Company's industry. This included assessing the reasonableness of the source of the historical information on inventory used in determining net realizable value and assessing the reasonableness of judgments of obsolete inventory items.
2. Obtained an understanding of the Company's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. Tested the appropriateness of the logic used in evaluating the net realizable value of inventory and inventory aging report, selected samples from inventory items by each sequence number to verify its net realizable value and to verify the reasonableness of the allowance for inventory valuation losses.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to

enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including Audit Committees, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 parent company only 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.

Lin Yung-Chih

Independent Accountants

Liu Tzu-Meng

PricewaterhouseCoopers, Taiwan

Republic of China

February 21, 2022

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

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

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

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

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 556,487	16	\$ 776,721	29
1150	Notes receivable, net	6(3)	177,571	5	70,830	3
1170	Accounts receivable, net	6(3), 7 and 12	713,359	20	345,612	13
1200	Other receivables		7,538	-	6,223	-
1220	Current income tax assets	6(24)	-	-	8,908	-
130X	Inventories	5(2) and 6(4)	668,668	19	309,931	12
1410	Prepayments	7	12,678	-	10,399	1
11XX	Total current assets		<u>2,136,301</u>	<u>60</u>	<u>1,528,624</u>	<u>58</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non- current	6(5)	490,573	14	255,355	10
1535	Financial assets at amortised cost - non-current	6(6) and 8	15,403	1	15,403	1
1550	Investments accounted for under equity method	6(7) and 7	410,261	12	377,198	14
1600	Property, plant and equipment	6(8) and 8	393,652	11	367,939	14
1755	Right-of-use assets	6(9)	32,816	1	37,851	1
1780	Intangible assets		3,931	-	2,760	-
1840	Deferred income tax assets	6(24)	36,884	1	45,333	2
1915	Prepayments for business facilities		10,881	-	-	-
1920	Guarantee deposits paid		4,645	-	4,829	-
1960	Prepayments for investments - non- current		-	-	10,000	-
1990	Other non-current assets		1,337	-	1,497	-
15XX	Total non-current assets		<u>1,400,383</u>	<u>40</u>	<u>1,118,165</u>	<u>42</u>
1XXX	Total assets		<u>\$ 3,536,684</u>	<u>100</u>	<u>\$ 2,646,789</u>	<u>100</u>

(Continued)

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

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

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10) and 8	\$ 80,000	2	\$ -	-
2130	Current contract liabilities	6(17)	26,164	1	22,889	1
2150	Notes payable		8,646	-	791	-
2170	Accounts payable	7	685,019	20	427,438	16
2200	Other payables	6(11)	249,413	7	161,889	6
2230	Current income tax liabilities	6(24)	75,227	2	23,121	1
2250	Provisions for liabilities - current	6(12)	23,101	1	16,078	1
2280	Lease liabilities - current		4,965	-	4,911	-
21XX	Total current liabilities		<u>1,152,535</u>	<u>33</u>	<u>657,117</u>	<u>25</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(24)	25,707	-	25,707	1
2580	Lease liabilities - non-current		28,385	1	33,350	1
2640	Net defined benefit liabilities - non-current	6(13)	27,757	1	26,876	1
25XX	Total non-current liabilities		<u>81,849</u>	<u>2</u>	<u>85,933</u>	<u>3</u>
2XXX	Total liabilities		<u>1,234,384</u>	<u>35</u>	<u>743,050</u>	<u>28</u>
Equity						
Share capital						
3110	Common stock	6(14)	833,239	23	833,239	31
3200	Capital surplus	6(15)	310,911	9	327,202	12
Retained earnings						
3310	Legal reserve	6(5)(16)	281,334	8	256,539	10
3320	Special reserve		22,737	1	22,737	1
3350	Unappropriated retained earnings		682,546	19	394,453	15
3400	Other equity interest	6(5)(7)	237,982	7	136,018	5
3500	Treasury stocks	6(14)	(66,449)	(2)	(66,449)	(2)
3XXX	Total equity		<u>2,302,300</u>	<u>65</u>	<u>1,903,739</u>	<u>72</u>
Significant contingent liabilities and unrecognised contract commitments						
3X2X	Total liabilities and equity		<u>\$ 3,536,684</u>	<u>100</u>	<u>\$ 2,646,789</u>	<u>100</u>

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

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	For the years ended December 31,			
		2021		2020	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(17) and 7	\$ 2,464,209	100	\$ 1,404,066	100
5000 Operating costs	6(4)(9)(13)(22)(23) and 7	(1,311,271)	(54)	(704,984)	(50)
5900 Net operating margin		<u>1,152,938</u>	<u>46</u>	<u>699,082</u>	<u>50</u>
Operating expenses	6(9)(13)(22)(23), 7 and 12				
6100 Selling expenses		(69,125)	(3)	(46,329)	(3)
6200 General and administrative expenses		(117,620)	(5)	(84,177)	(6)
6300 Research and development expenses		(326,576)	(13)	(248,575)	(18)
6450 Expected credit losses		(6,740)	-	(1,984)	-
6000 Total operating expenses		(520,061)	(21)	(381,065)	(27)
6900 Operating profit		<u>632,877</u>	<u>25</u>	<u>318,017</u>	<u>23</u>
Non-operating income and expenses					
7100 Interest income	6(18)	789	-	2,334	-
7010 Other income	6(5)(19) and 7	21,846	1	11,324	1
7020 Other gains and losses	6(20) and 12	(13,171)	-	(20,628)	(2)
7050 Finance costs	6(9)(21)	(427)	-	(478)	-
7070 Share of profit (loss) of subsidiaries associates and joint ventures accounted for under equity method, net	6(7)	<u>7,971</u>	-	(19,513)	(1)
7000 Total non-operating income and expenses		<u>17,008</u>	<u>1</u>	(26,961)	(2)
7900 Profit before income tax		649,885	26	291,056	21
7950 Income tax expense	6(24)	(108,662)	(4)	(44,212)	(3)
8200 Profit for the year		<u>\$ 541,223</u>	<u>22</u>	<u>\$ 246,844</u>	<u>18</u>
Other comprehensive income (loss)					
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311 Remeasurement of defined benefit obligations	6(13)	(\$ 330)	-	(\$ 3,607)	-
8316 Unrealised gains on valuation of financial assets at fair value through other comprehensive income	6(5)	106,872	4	161,852	11
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(24)	66	-	721	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations	6(7)	(4,908)	-	894	-
8300 Total other comprehensive income for the year		<u>\$ 101,700</u>	<u>4</u>	<u>\$ 159,860</u>	<u>11</u>
8500 Total comprehensive income for the year		<u>\$ 642,923</u>	<u>26</u>	<u>\$ 406,704</u>	<u>29</u>
Earnings per share (in dollars)	6(25)				
9750 Basic		<u>\$ 6.64</u>		<u>\$ 3.01</u>	
9850 Diluted		<u>\$ 6.61</u>		<u>\$ 3.00</u>	

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

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Capital Reserves			Retained Earnings			Other equity interest			Total
		Share capital - common stock	Total capital surplus, additional paid-in capital	Stock warrants	Legal reserve	Special reserve	Total unappropri- ated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	
<u>For the year ended December 31, 2020</u>											
Balance at January 1, 2020		\$ 833,239	\$ 377,088	\$ 108	\$ 248,195	\$ 22,672	\$ 229,905	(\$ 33,118)	\$ 10,381	\$ -	\$ 1,688,470
Net income for the year ended December 31, 2020		-	-	-	-	-	246,844	-	-	-	246,844
Other comprehensive income (loss) for the year ended December 31, 2020	6(5)(7)	-	-	-	-	-	(2,886)	894	161,852	-	159,860
Total comprehensive income for the year ended December 31, 2020		-	-	-	-	-	243,958	894	161,852	-	406,704
Disposal of financial assets at fair value through other comprehensive income	6(5)	-	-	-	-	-	3,991	-	(3,991)	-	-
Distribution of 2019 net income											
Legal reserve		-	-	-	8,344	-	(8,344)	-	-	-	-
Special reserve	6(16)	-	-	-	-	65	(65)	-	-	-	-
Cash dividends	6(16)	-	-	-	-	-	(74,992)	-	-	-	(74,992)
Distribution of cash dividends from the capital surplus	6(15)	-	(49,994)	-	-	-	-	-	-	-	(49,994)
Treasury stocks reacquired	6(14)	-	-	-	-	-	-	-	-	(66,449)	(66,449)
Balance at December 31, 2020		\$ 833,239	\$ 327,094	\$ 108	\$ 256,539	\$ 22,737	\$ 394,453	(\$ 32,224)	\$ 168,242	(\$ 66,449)	\$ 1,903,739
<u>For the year ended December 31, 2021</u>											
Balance at December 31, 2021		\$ 833,239	\$ 327,094	\$ 108	\$ 256,539	\$ 22,737	\$ 394,453	(\$ 32,224)	\$ 168,242	(\$ 66,449)	\$ 1,903,739
Net income for the year ended December 31, 2021		-	-	-	-	-	541,223	-	-	-	541,223
Other comprehensive income (loss) for the year ended December 31, 2021	6(5)(7)	-	-	-	-	-	(264)	(4,908)	106,872	-	101,700
Total comprehensive income for the year ended December 31, 2021		-	-	-	-	-	540,959	(4,908)	106,872	-	642,923
Distribution of 2020 net income											
Legal reserve		-	-	-	24,795	-	(24,795)	-	-	-	-
Cash dividends	6(16)	-	-	-	-	-	(228,071)	-	-	-	(228,071)
Distribution of cash dividends from the capital surplus	6(15)	-	(16,291)	-	-	-	-	-	-	-	(16,291)
Balance at December 31, 2021		\$ 833,239	\$ 310,803	\$ 108	\$ 281,334	\$ 22,737	\$ 682,546	(\$ 37,132)	\$ 275,114	(\$ 66,449)	\$ 2,302,300

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

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 649,885	\$ 291,056
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses	12	6,740	1,984
(Reversal of allowance) provision for inventory market price decline	6(4)	(3,857)	8,458
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	(7,971)	19,513
Depreciation	6(8)(9)(22)	21,823	21,976
Gain on disposal of property, plant and equipment	6(20)	-	(208)
Amortisation	6(22)	2,418	2,259
Interest income	6(18)	(789)	(2,334)
Dividend income	6(5)(19)	(11,627)	(6,892)
Interest expense	6(21)	427	478
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(106,741)	43,198
Accounts receivable		(374,487)	(136,488)
Other receivables		(1,315)	(5,724)
Inventories		(354,880)	(161,391)
Prepayments		(2,279)	(6,817)
Changes in operating liabilities			
Current contract liabilities		3,275	7,056
Notes payable		255	(360)
Accounts payable		257,581	223,401
Other payables		85,425	41,683
Provisions for liabilities - current		7,023	3,289
Net defined benefit liabilities - non-current		551	759
Cash inflow generated from operations		<u>171,457</u>	<u>344,896</u>
Dividends received		11,627	6,892
Interest received		789	2,334
Interest paid		(427)	(478)
Income tax refund		10,050	-
Income tax paid		(49,183)	(10,981)
Net cash flows from operating activities		<u>144,313</u>	<u>342,663</u>

(Continued)

ALL RING TECH CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 118,346)	(\$ 301)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(5)	-	5,610
Acquisition of financial assets at amortised cost - non-current		-	(13,583)
Acquisition of investment accounted for under equity method - subsidiary	6(7)	(30,000)	-
Cash paid for acquisition of property, plant and equipment	6(26)	(42,259)	(87,504)
Proceeds from disposal of property, plant and equipment		-	306
Acquisition of intangible assets		(3,589)	(1,983)
Cash paid for increasing prepayments for business facilities	6(26)	(1,424)	-
Decrease (increase) in guarantee deposits paid		184	(183)
Increase in prepayments for investments		-	(10,000)
Decrease in other non-current assets		160	160
Net cash flows used in investing activities		(195,274)	(107,478)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(27)	80,000	-
Repayment of lease principal	6(27)	(4,911)	(4,858)
Distribution of cash dividends from capital surplus	6(15)	(16,291)	(49,994)
Cash dividends paid	6(16)	(228,071)	(74,992)
Acquisition of treasury stocks	6(14)	-	(66,449)
Net cash flows used in financing activities		(169,273)	(196,293)
Net (decrease) increase in cash and cash equivalents		(220,234)	38,892
Cash and cash equivalents at beginning of year	6(1)	776,721	737,829
Cash and cash equivalents at end of year	6(1)	\$ 556,487	\$ 776,721

The notes to the consolidated financial statements are part of the consolidated financial statements and should be read together.

Chairman of the Board: Ching-Lai Lu Manager: Hsin-Yao Cheng

Accounting Supervisor: Hsiao-Mei Wang

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of All Ring Tech Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of All Ring Tech Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of 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 at December 31, 2021 and 2020, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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, we do not provide a separate opinion on these matters.

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

Revenue recognition

Description

Refer to Note 4(27) for accounting policies on revenue recognition.

The sales revenue of the Group is primarily from the assembly and sale of equipment. Based on the terms of the sale agreement, sales revenue is recognised when the control of the goods sold is transferred to the customer after the installation of the goods or the acceptance of the goods by the customer, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. As the transfer of control of the goods to the customer in a sale transaction involves manual process and judgement, there exists a risk of material misstatement that may arise from improper revenue recognition for transactions that occur near the balance sheet date and the transaction amounts are usually material. Thus, we considered the cutoff of revenue a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding and assessed the accounting policy on revenue recognition.
2. Understood and assessed internal control over revenue recognition, tested the effectiveness of internal controls over the shipment of goods and verified the timing of revenue recognition.
3. Tested the cutoff of transactions that occurred a certain time before or after the balance sheet date in order to verify whether the control of the goods for which revenue has been recognised was transferred, and whether the revenue was recorded in the appropriate period.

Evaluation of inventories

Description

Refer to Note 4(10) to the consolidated financial statements for the accounting policy on inventory valuation, Note 5(2) for information on the uncertainty of accounting estimates and assumptions on inventory valuation, and Note 6(5) for information on allowance for inventory valuation losses. As of December 31, 2021, inventory and allowance for inventory valuation losses were NT\$803,658 thousand and NT\$81,557 thousand, respectively.

The Group develops, manufactures, and assembles production equipment for semiconductors and passive components. Due to rapid changes in technology, the risk of the materials inventory of related equipment incurring valuation losses or becoming obsolete is high. Inventories are stated at the lower of cost and net realizable value. The net realizable value of inventory that is over a certain age or individually identified as obsolete is determined based on the historical information on inventory obtained by management from periodic

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

inspections.

The technology related to the Group's products is rapidly changing, and the determination of the net realizable value of inventory identified as obsolete involves subjective judgement. Thus, we considered the evaluation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Ensured consistent application and assessed the reasonableness of the Group's policies and procedures on setting allowance for inventory valuation losses according to applicable accounting principles and the auditors' understanding of the nature of the Group's industry. This included assessing the reasonableness of the source of the historical information on inventory used in determining net realizable value and assessing the reasonableness of judgments of obsolete inventory items.
2. Obtained an understanding of the Group's warehousing control procedures. Reviewed annual physical inventory count plan and participated in the annual inventory count in order to assess the classification of obsolete inventory and effectiveness of internal control over obsolete inventory.
3. Tested the appropriateness of the logic used in evaluating the net realizable value of inventory and inventory aging report, selected samples from inventory items by each sequence number to verify its net realizable value and to verify the reasonableness of the allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of All Ring Tech Co., Ltd. as at and for the years ended December 31, 2021 and 2020.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of 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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

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 Audit Committees, 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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

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.

Lin Yung-Chih

Independent Accountants

Liu Tzu-Meng

PricewaterhouseCoopers, Taiwan

Republic of China

February 21, 2022

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

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 637,280	18	\$ 839,507	31
1136	Financial assets at amortised cost - current	6(3)	29,043	1	29,065	1
1150	Notes receivable, net	6(4)	178,797	5	76,449	3
1170	Accounts receivable, net	6(4) and 12	815,925	23	429,586	16
1200	Other receivables		7,998	-	7,089	-
1220	Current income tax assets	6(23)	-	-	8,908	-
130X	Inventories	5(2), 6(5)(7)	722,101	20	370,771	14
1410	Prepayments		16,289	-	11,975	1
11XX	Total current assets		<u>2,407,433</u>	<u>67</u>	<u>1,773,350</u>	<u>66</u>
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non- current	6(6)	490,573	14	255,355	9
1535	Financial assets at amortised cost - non-current	6(3) and 8	15,403	1	15,403	1
1600	Property, plant and equipment	6(7) and 8	523,982	15	485,344	18
1755	Right-of-use assets	6(8)	62,703	2	68,691	3
1780	Intangible assets		5,034	-	3,962	-
1840	Deferred income tax assets	6(23)	46,934	1	53,870	2
1915	Prepayments for business facilities		10,881	-	-	-
1920	Guarantee deposits paid		4,650	-	6,476	-
1960	Prepayments for investments - non- current		-	-	10,000	-
1990	Other non-current assets		10,765	-	13,697	1
15XX	Total non-current assets		<u>1,170,925</u>	<u>33</u>	<u>912,798</u>	<u>34</u>
1XXX	Total assets		<u>\$ 3,578,358</u>	<u>100</u>	<u>\$ 2,686,148</u>	<u>100</u>

(Continued)

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9) and 8	\$ 80,000	2	\$ -	-
2130	Current contract liabilities	6(16)	27,263	1	26,414	1
2150	Notes payable		8,646	-	791	-
2170	Accounts payable	7	704,082	20	448,781	17
2200	Other payables	6(10)	268,513	7	176,380	6
2230	Current income tax liabilities	6(23)	75,227	2	23,121	1
2250	Provisions for liabilities - current	6(11)	23,101	1	16,078	1
2280	Lease liabilities - current		4,965	-	4,911	-
21XX	Total current liabilities		<u>1,191,797</u>	<u>33</u>	<u>696,476</u>	<u>26</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(23)	25,707	1	25,707	1
2580	Lease liabilities - non-current		28,385	1	33,350	1
2640	Net defined benefit liabilities - non-current	6(12)	27,757	1	26,876	1
2645	Guarantee deposits received		2,412	-	-	-
25XX	Total non-current liabilities		<u>84,261</u>	<u>3</u>	<u>85,933</u>	<u>3</u>
2XXX	Total liabilities		<u>1,276,058</u>	<u>36</u>	<u>782,409</u>	<u>29</u>
Equity						
Share capital						
3110	Common stock	6(13)	833,239	23	833,239	31
3200	Capital surplus	6(14)	310,911	9	327,202	12
	Retained earnings	6(15)				
3310	Legal reserve		281,334	8	256,539	10
3320	Special reserve		22,737	-	22,737	1
3350	Unappropriated retained earnings		682,546	19	394,453	15
3400	Other equity interest	6(6)	237,982	7	136,018	5
3500	Treasury stocks	6(13)	(66,449)	(2)	(66,449)	(3)
3XXX	Total equity		<u>2,302,300</u>	<u>64</u>	<u>1,903,739</u>	<u>71</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		<u>\$ 3,578,358</u>	<u>100</u>	<u>\$ 2,686,148</u>	<u>100</u>

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

		For the years ended December 31,					
		2021		2020			
Items	Notes	AMOUNT	%	AMOUNT	%		
4000	Operating revenue	\$ 2,604,316	100	\$ 1,506,320	100		
5000	Operating costs	(1,387,133)	(53)	(767,546)	(51)		
5900	Net operating margin	1,217,183	47	738,774	49		
	Operating expenses						
6100	Selling expenses	(88,227)	(4)	(63,812)	(4)		
6200	General and administrative expenses	(143,079)	(6)	(105,766)	(7)		
6300	Research and development expenses	(343,764)	(13)	(265,201)	(18)		
6450	Expected credit losses	(6,335)	-	(2,870)	-		
6000	Total operating expenses	(581,405)	(23)	(437,649)	(29)		
6900	Operating profit	635,778	24	301,125	20		
	Non-operating income and expenses						
7100	Interest income	1,422	-	3,108	-		
7010	Other income	29,734	1	12,643	1		
7020	Other gains and losses	(18,146)	-	(20,620)	(2)		
7050	Finance costs	(449)	-	(478)	-		
7000	Total non-operating income and expenses	12,561	1	(5,347)	(1)		
7900	Profit before income tax	648,339	25	295,778	19		
7950	Income tax expense	(107,116)	(4)	(48,934)	(3)		
8200	Profit for the year	\$ 541,223	21	\$ 246,844	16		
	Other comprehensive income (loss)						
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Remeasurement of defined benefit obligations	(\$ 330)	-	(\$ 3,607)	-		
8316	Unrealised gains on valuation of financial assets at fair value through other comprehensive income	106,872	4	161,852	11		
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	66	-	721	-		
	Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	(4,908)	-	894	-		
8300	Total other comprehensive income for the year	\$ 101,700	4	\$ 159,860	11		
8500	Total comprehensive income for the year	\$ 642,923	25	\$ 406,704	27		
	Profit attributable to:						
8610	Owners of the parent	\$ 541,223	21	\$ 246,844	16		
	Comprehensive income attributable to:						
8710	Owners of the parent	\$ 642,923	25	\$ 406,704	27		
	Earnings per share (in dollars)						
9750	Basic	\$ 6.64		\$ 3.01			
9850	Diluted	\$ 6.61		\$ 3.00			

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital Surplus			Retained Earnings			Other Equity Interest		Treasury stocks	Total equity
		Share capital - common stock	Additional paid-in capital	Stock options	Legal reserve	Special reserve	Unappropriate retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on valuation of financial assets at fair value through other comprehensive income		
For the year ended December 31, 2020											
Balance at January 1, 2020		\$ 833,239	\$ 377,088	\$ 108	\$ 248,195	\$ 22,672	\$ 229,905	(\$ 33,118)	\$ 10,381	\$ -	\$ 1,688,470
Net income for the year ended December 31, 2020		-	-	-	-	-	246,844	-	-	-	246,844
Other comprehensive income (loss) for the year ended December 31, 2020	6(6)	-	-	-	-	-	(2,886)	894	161,852	-	159,860
Total comprehensive income for the year ended December 31, 2020		-	-	-	-	-	243,958	894	161,852	-	406,704
Disposal of financial assets at fair value through other comprehensive income	6(6)	-	-	-	-	-	3,991	-	(3,991)	-	-
Distribution of 2019 net income:											
Legal reserve		-	-	-	8,344	-	(8,344)	-	-	-	-
Special reserve	6(15)	-	-	-	-	65	(65)	-	-	-	-
Cash dividends	6(15)	-	-	-	-	-	(74,992)	-	-	-	(74,992)
Distribution of cash dividends from the capital surplus	6(14)	-	(49,994)	-	-	-	-	-	-	-	(49,994)
Treasury stocks reacquired	6(13)	-	-	-	-	-	-	-	-	(66,449)	(66,449)
Balance at December 31, 2020		\$ 833,239	\$ 327,094	\$ 108	\$ 256,539	\$ 22,737	\$ 394,453	(\$ 32,224)	\$ 168,242	(\$ 66,449)	\$ 1,903,739
For the year ended December 31, 2021											
Balance at January 1, 2021		\$ 833,239	\$ 327,094	\$ 108	\$ 256,539	\$ 22,737	\$ 394,453	(\$ 32,224)	\$ 168,242	(\$ 66,449)	\$ 1,903,739
Net income for the year ended December 31, 2021		-	-	-	-	-	541,223	-	-	-	541,223
Other comprehensive income (loss) for the year ended December 31, 2021	6(6)	-	-	-	-	-	(264)	(4,908)	106,872	-	101,700
Total comprehensive income (loss) for the year ended December 31, 2021		-	-	-	-	-	540,959	(4,908)	106,872	-	642,923
Distribution of 2020 net income:											
Legal reserve		-	-	-	24,795	-	(24,795)	-	-	-	-
Cash dividends	6(15)	-	-	-	-	-	(228,071)	-	-	-	(228,071)
Distribution of cash dividends from the capital surplus	6(14)	-	(16,291)	-	-	-	-	-	-	-	(16,291)
Balance at December 31, 2021		\$ 833,239	\$ 310,803	\$ 108	\$ 281,334	\$ 22,737	\$ 682,546	(\$ 37,132)	\$ 275,114	(\$ 66,449)	\$ 2,302,300

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

ALL RING TECH CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31,	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
<u>Profit before tax</u>		\$ 648,339	\$ 295,778
<u>Adjustments</u>			
<u>Adjustments to reconcile profit (loss)</u>			
<u>Expected credit losses</u>	12	6,335	2,870
<u>Provision for inventory market price decline</u>	6(5)	5,442	11,641
<u>Depreciation</u>	6(7)(8)(21)	35,922	31,136
<u>Loss (gain) on disposal of property, plant and equipment</u>	6(19)	390	(477)
<u>Amortisation</u>	6(21)	3,080	2,914
<u>Interest income</u>	6(17)	(1,422)	(3,108)
<u>Dividend income</u>	6(6)(18)	(11,627)	(6,892)
<u>Interest expense</u>	6(20)	449	478
<u>Changes in operating assets and liabilities</u>			
<u>Changes in operating assets</u>			
<u>Notes receivable</u>		(102,348)	38,886
<u>Accounts receivable</u>		(392,663)	(131,529)
<u>Other receivables</u>		(909)	(6,221)
<u>Inventories</u>		(361,940)	(184,121)
<u>Prepayments</u>		(4,314)	(3,542)
<u>Changes in operating liabilities</u>			
<u>Current contract liabilities</u>		849	4,094
<u>Notes payable</u>		255	(360)
<u>Accounts payable</u>		255,301	230,294
<u>Other payables</u>		90,034	39,907
<u>Provisions for liabilities - current</u>		7,023	3,289
<u>Net defined benefit liabilities - non-current</u>		551	759
<u>Cash inflow generated from operations</u>		178,747	325,796
<u>Dividends received</u>		11,627	6,892
<u>Interest received</u>		1,422	3,108
<u>Interest paid</u>		(449)	(478)
<u>Income tax received</u>		10,050	-
<u>Income tax paid</u>		(49,183)	(10,981)
<u>Net cash flows from operating activities</u>		<u>152,214</u>	<u>324,337</u>

(Continued)

CASH FLOWS FROM INVESTING ACTIVITIES

<u>Disposal of financial assets at amortised cost - current</u>		\$	22	\$	3,359
<u>Acquisition of financial assets at fair value through other comprehensive income</u>		(	118,346)	(	301)
<u>Proceeds from disposal of financial assets at fair value through other comprehensive income</u>	6(6)		=		5,610
<u>Acquisition of financial assets at amortised cost -non-current</u>			=	(	13,583)
<u>Cash paid for acquisition of property, plant and equipment</u>	6(25)	(	65,009)	(	104,727)
<u>Proceeds from disposal of property, plant and equipment</u>			578		806
<u>Acquisition of intangible assets</u>		(	4,158)	(	2,124)
<u>Cash paid for increasing prepayments for business facilities</u>	6(25)	(	1,424)		=
<u>Decrease in guarantee deposits paid</u>			1,826		133
<u>Increase in prepayments for investments</u>			=	(	10,000)
<u>Decrease in other non-current assets</u>			2,932		8,607
<u>Net cash flows used in investing activities</u>		(	183,579)	(	112,220)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
<u>Increase in short-term borrowings</u>	6(26)		80,000		=
<u>Repayment of lease principal</u>	6(26)	(	4,911)	(	4,858)
<u>Increase in guarantee deposits received</u>	6(26)		2,412		=
<u>Distribution of cash dividends from capital surplus</u>	6(14)	(	16,291)	(	49,994)
<u>Cash dividends paid</u>	6(15)	(	228,071)	(	74,992)
<u>Acquisition of treasury stocks</u>	6(13)		=	(	66,449)
<u>Net cash flows used in financing activities</u>		(	166,861)	(	196,293)
<u>Effect of foreign exchange rate changes on cash and cash equivalents</u>		(	4,001)	(	653)
<u>Net (decrease) increase in cash and cash equivalents</u>		(	202,227)		15,171
<u>Cash and cash equivalents at beginning of year</u>	6(1)		839,507		824,336
<u>Cash and cash equivalents at end of year</u>	6(1)	\$	637,280	\$	839,507

**All Ring Tech Co., Ltd.
Earnings Distribution Table**

Attachment IV

2021

Unit: NT\$

Item	Amount
Undistributed earnings at the beginning of the period	141,587,577
Plus (minus): change in re-measurement of defined benefit plan in the current period	(264,214)
Net profit after tax for the current period	541,222,831
Provision of legal reserve	(54,095,862)
Reversed special reserve	63,930
Current period distributable earnings	628,514,262
Items of Earning Distribution	
Shareholder bonus - cash	(366,542,559)
Undistributed earnings at the end of the period	261,971,703

Note 1: The 2021 earnings shall be distributed first.

Note 2: Cash dividends of NT\$4.50 per share shall be allocated. For reasons that have caused change in the number of outstanding shares and interest/share distributions, such as converting convertible bonds, buying back treasury shares, transferring treasury shares, or exercising employee stock options, it is proposed that the shareholders authorize the Board of Directors to handle the matter and announce it separately.

Note 3: The date of interest distribution shall be determined by the Board of Directors after the present resolution is agreed upon at the Shareholders' Meeting. Any dividend less than NT\$1 rounds down to zero. The total rounded off amounts, are accounted as other income in the Company's financial statements.

Chairman of the Board:
Ching-Lai Lu

Manager:
Hsin-Yao Cheng

Accounting Supervisor:
Hsiao-Mei Wang

All Ring Tech Co., Ltd.

Articles of Incorporation (Before Amendments)

Chapter I - General Provisions

Article 1: The Company is organized in accordance with the Company Act of the Republic of China, and is named All Ring Tech Co., Ltd. (萬潤科技股份有限公司). English name is named as ALL RING TECH CO., LTD.

Article 2: The scope of the Company business goes as follows:

- I. CB01010 Machinery and Equipment Manufacturing
- II. CE01030 Photographic and Optical Equipment Manufacturing
- III. F401010 International Trade
- IV. JE01010 Rental and Leasing Business (apply for automatic IC ball mount toolings and automatic machinery equipments only)
 - Research, development, manufacturing and sales for the following products:
 - (I) Automatic IC ball mount tooling
 - (II) SMD capacitor tester
 - (III) Digital Camera Binocular
 - (IV) Automatic mechanical engineering design, manufacturing and assembly with software development of computer
 - (V) International trade of products listed above

Article 3 The Company shall have its head office in the Kaohsiung Campus of the Southern Science and Industrial Park, and shall be free, upon approval of the board of directors, to establish branches at home or abroad when deemed necessary.

Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter II - Shares

Article 5 The total capital of the Company shall be in the amount of NT\$1,500,000,000, which is divided into 150 million shares, at NT\$10 each. The Board of Directors are authorized to issue shares in multiple times. An amount of NT\$80,000,000 of the total capital stock is reserved for the issuance of employee stock options.

Article 5-1: The subscription price for the employee stock options issued by the company is not subject to the relevant laws and regulations. The resolution for issuance may be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders' meeting who represent more than one-half of the issued shares of the company. The shares shall be issued multiple times within one year from the resolution by the shareholders.

Article 5-2: The treasury stocks repurchased by the company may be transferred to the employees at a price lower than the average price paid for the shares. The resolution for transfer may be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders' meeting who represent a majority of the issued shares of the company.

Article 5-3: The employees' compensation given to the subsidiaries' employees is as follows:

1. The shares purchased in accordance with the Company Act shall be transferred to the parties, including the subsidiaries' employees who meet certain conditions.
2. In accordance with the Company Act, the employee stock options shall be issued to the parties, including the subsidiaries' employees who meet certain conditions.
3. In accordance with the Company Act, the employees who have subscribed new shares issued shall include the subsidiaries' employees who meet certain conditions.
4. In accordance with the Company Act, the recipients to whom restricted employee

shares issued shall include the subsidiaries' employees who meet certain conditions.

Article 6: The total amount of the company's reinvestment is not subject to the limit of 40% of the paid-in capital, as dictated by Article 13 of the Company Act.

Article 6-1: The Company may endorse and guarantee externally for business or investment purposes.

Article 7: The company may issue shares without printing share certificates, but shall register at Taiwan Depository & Clearing Corporation.

Article 8: Registration for shares transfer shall be suspended within 60 days before the annual shareholders' meeting, within 30 days before the interim shareholders' meeting, or within 5 days before dividends, bonuses or other benefits are scheduled to be paid by the company.

Chapter III - Shareholders' Meeting

- Article 9: Shareholders' meeting is divided into two categories; the annual shareholders' meeting is convened every year; it is convened by the Board of Directors in accordance with the law within six months after the end of each fiscal year. The interim shareholders' meeting may be convened in accordance with the law when deemed necessary.
- Article 10: A shareholder may, with a written authorization issued by the Company specifying the scope of authorized rights, appoint a proxy to attend the shareholders' meeting on their behalf.
- Article 11: Each share shall be entitled to one vote, which can be exercised in paper form or electronically.
- Article 12: Except as dictated in the Company Act, resolutions shall be adopted with the concurrence of one-half of votes exercised by the shareholders present at the shareholders' meeting who represent one-half of the issued shares of the company.
- Article 12-1: The company's shareholders' meeting minutes and relevant reports shall be publicly announced.

Chapter IV - Directors and the Audit Committee

- Article 13 The company has seven to twelve directors. The system of nomination of candidates in Article 192-1 of the Company Act shall be adopted for the election of directors since the 10th term. The term of office shall be three years. The directors shall be selected from the list of candidates for directors and may be re-appointed if they are re-elected.
- Article 13-1: In accordance with Article 14-2 of the Securities and Exchange Act, the number of the aforementioned Directors shall include at least 3 Independent Directors that account for no less than one-fifth of the number of Directors; the candidate nomination system shall be adopted for the election, as set out in Article 192-1 of the Company Act.
- The Audit Committee in accordance with the Securities and Exchanges Act shall be comprised of all Independent Directors, whose number shall be no less than three, and one of whom will be the convener. At least one of the members shall have accounting or finance expertise. The exercise of the functional authorities and related matters of the Audit Committee and its members shall be handled in accordance with the Securities and Exchange Act and relevant laws and regulations.
- Article 13-2: In accordance with Article 204 of the Company Law, the Company may convene the meeting of the Board of Directors at any time in case of an emergency. The Company shall notify the directors of the meeting in paper form, by e-mail or by fax.
- Article 14: The Directors shall elect from among themselves a Chairman of the Board of Directors by one-half of the members in a meeting attended by over two-thirds of the Directors. The Directors may elect a Vice Chairman of the Board of Directors. The Chairman of the Board of Directors shall have the authority to represent the company.
- Article 15: When the Chairman takes leave or fails to exercise his or her authority, his/her proxy shall comply with Article 208 of the Company Act.
- According to Article 205 of the Company Law, a director may, with sealed or signed authorization specifying the scope of authorized rights, appoint another Director to attend on his behalf the meeting of the Board of Directors.
- Article 16 The Board of Directors is authorized by the shareholders' meeting to determine the compensation of all directors. Regardless of operating profits or losses, the compensation shall be paid according to the industry standard.
- Article 16-1: The Company may establish various functional committees after considering the size of the company, the nature of the business, and the number of Directors. The organizational procedures of these committees shall be decided by the Board of

Directors in accordance with relevant laws and regulations.

Chapter V - Managers

Article 17: The Company shall have a number of general managers, deputy general managers, and managers. Their appointment, dismissal, and compensation shall comply with Article 29 of the Company Act.

Section VI - Accounting

Article 18: In accordance with Article 228 of the Company Act, at the end of a fiscal year, the Board of Directors of the company shall prepare the following reports and statements to be submitted to the Annual Meeting of Shareholders for adoption according to the procedures prescribed by law. I. Business report II. Financial statements III. Proposal Concerning Earnings distribution or covering of losses.

Article 19: Deleted.

Article 20: As the company faces an ever-changing industrial environment and the business is in the stage of steady growth, the Board of Director shall take into consideration the budget for future capital expenditure and funds needed and weigh the necessity of allocating earnings to support capital needs when deciding on the amount of earnings to be retained or distributed and the amount of dividend to be paid in cash.

If there is any surplus in the final accounts of the company every year, in addition to the income tax of profit-making enterprises and making up for the losses of previous years, if there is any balance, it shall set aside 10% as the legal surplus reserve first, except when the legal surplus reserve has reached the paid in capital. After the special surplus reserve is set aside or reversed in accordance with the law, plus the accumulated undistributed surplus of the previous year, it is the accumulated distributable surplus. At least 30% of the accumulated distributable surplus shall be allocated as shareholders' dividends, and the cash dividends shall not be less than 10% of the total shareholders' dividends. The Board of Directors shall, based on relevant factors such as future business or re-investment, propose the distribution of earnings, and submit the proposal to the shareholders' meeting for approval.

Article 20-1: The Company shall allocate no less than 3% of its annual profit as compensation to the employees and no more than 3% of its annual profits as compensation to the Directors. However, the Company shall reserve a sufficient amount to offset its accumulated losses. The compensation shall be distributed, in stock or in cash, to the employees of the Company or the qualified employees of the affiliated companies. The earnings for the current year means the annual pre-tax earnings before deduction of the remuneration to employees and directors. Proposals of distributions to employees and directors shall be taken to the shareholders' meeting for approval after the resolution is reached by a majority of the Board with two thirds in attendance.

Chapter VII - Supplementary Provisions

Article 21: In regard to the matters not specified in the Articles of Incorporation, the Company Act of the Republic of China shall prevail.

Article 22: The Articles of Incorporation was established on May 18, 1996.

The first Amendment was approved on July 9, 1996.

The second Amendment was approved on May 14, 1998.

The third Amendment was approved on June 20, 1999.

The fourth Amendment was approved on May 1 2000.

The fifth Amendment was approved on July 8, 2000.

The sixth Amendment was approved on May 12, 2001.

The seventh Amendment was approved on July 20, 2001.

The eighth Amendment was approved on May 27, 2002.
The ninth Amendment was approved on June 3, 2003.
The tenth Amendment was approved on June 15, 2004.
The Eleventh Amendment was approved on June 15, 2006.
The twelfth Amendment was approved on June 21, 2007.
The thirteenth Amendment was approved on April 30, 2008.
The fourteenth Amendment was approved on June 10, 2009.
The fifteenth Amendment was approved on May 12, 2010.
The sixteenth Amendment was approved on June 22, 2011.
The seventeenth Amendment was approved on May 7, 2012.
The eighteenth Amendment was approved on June 12, 2014.
The nineteenth Amendment was approved on June 15, 2016.
The twentieth Amendment was approved on June 15, 2017.
The twenty-first amendment was approved on June 13, 2019.
The twenty-second Amendment was approved on June 10, 2020.
The twenty-third Amendment was approved on June 17, 2021.

All Ring Tech Co., Ltd.**Rules and Procedures of the Shareholders' Meeting (Before Amendments)**

Article 1

In order to establish efficient governance of the shareholders to improve supervision and strengthen management, the company has set up the Rules and Procedures for Shareholders' Meeting of All Ring Tech Co., Ltd. (hereinafter referred to as the Rules) in accordance with the Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2

Unless otherwise prescribed by relevant laws and ordinances or the Company's Articles of Incorporation, the Rules and Procedures of Shareholders' Meeting of the Company shall be in accordance with these Rules.

Article 3

Unless otherwise dictated by regulations, the shareholders' meeting is convened by the Board of Directors.

The Company shall upload the electronic version of the meeting notice for the shareholders' meeting, paper for the power of attorney, the proposals, discussions, election or dismissal of Directors to the Market Observation Post System 30 days before the annual meeting of shareholders, or 15 days before the extraordinary shareholders' meeting. The company shall prepare shareholders' meeting agenda and related supplemental materials in electronic form, and upload them to the MOPS 21 days before the annual shareholders' meeting or 15 days before a special meeting. The Company shall prepare shareholders' meeting agenda and related supplemental materials 15 days before the shareholders' meeting, and make them accessible to shareholders at any time. In addition, the agenda shall be displayed at the Company and its stock registrar and transfer agent, and distributed on-site at the shareholders' meeting.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of addressees, the meeting notice may be given in electronic form.

The selection or removal of directors, change of Articles of Incorporation, reduction of capital, application for suspension of public issuance, permit for director's business competition, surplus to capital increase, public reserve to capital increase, dissolution, merger, division of the Company, or the matters referred to in Article 185, Paragraph 1 shall be listed in the reasons for convening the meeting and the main contents shall be stated, which shall not be put forward by temporary motion; the main contents may be placed in the securities authority or the Company's designated website, and its website address shall be specified in the notice.

The reasons for the convening of the shareholders' meeting have indicated the full re-election of directors and the date of taking office. After the re-election of the shareholders' meeting is completed, the date of taking office shall not be changed by temporary motion or other means at the same meeting.

Shareholders holding 1% or more of the total number of issued shares of the Company may submit a proposal to the Company for discussion at a shareholders' regular meeting. Such proposals, however, are limited to one item only; no proposal containing more than one item shall be included in the meeting agenda. However, if the shareholders' proposal is a proposal to urge the company to promote public interests or fulfill social responsibilities, the Board of Directors may still include the proposal. If a shareholder's proposal contains circumstances in Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may not include the proposal as an agenda.

The company shall publicly announce the acceptance of the shareholder's proposal, written or electronic acceptance method, acceptance place and acceptance period before the date of suspension of stock transfer before the shareholders' meeting; the acceptance period shall not be less than 10 days.

Submitted shareholder proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The proposal sponsor shall attend, in person or by proxy, the shareholders' regular meeting and join in the discussion of the proposal. The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform all the sponsors of the proposal-screening results, and shall list in the shareholders' meeting notice the proposals conforming to this Article. At the shareholders' meeting, the Board of Directors shall explain the reasons for the dismissal of proposals.

Article 4

A shareholder may, with written authorization issued by the Company specifying the scope of authorized rights, appoint a proxy to attend the shareholders' meeting on his behalf.

Shareholders may appoint only one proxy by issuing a proxy authorization letter, which shall be delivered to the company five days before the date of shareholders' meeting. In case of repeated proxy authorization letter, the one delivered earliest shall prevail, except for the statement for cancellation of former proxy.

After the proxy authorization is submitted to the Company, in case the shareholder wishes to attend the shareholders' meeting in person or to exercise his voting right in writing or electronically, a written notice shall be filed to the Company to rescind the proxy authorization within 2 days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5

The venue where a shareholder meeting is to be held shall be in the premises of the company or a location accessible to shareholders and appropriate for holding meetings. Shareholders' meetings shall not begin earlier than 9:00 a.m. or later than 3:00 p.m. The opinions of Independent Directors shall be fully considered in the decision of the location and time of the shareholders' meeting.

Article 6

The Company shall specify in the shareholders' meeting notices the time period and location for registration, and other matters worthy of attention.

The check-in time described in the preceding paragraph shall be at least 30 minutes prior to the meeting. The check-in counter shall be clearly indicated and competent personnel shall be assigned to help shareholders check in.

The shareholder or the shareholder proxy (hereinafter referred to as the shareholder) shall present the attendance certificate, attendance card or other attendance certificate at the Shareholders' meeting; the solicitor of authorization letters shall carry an identity document for verification.

The Company shall prepare a check-in book for shareholders to sign in; shareholders may hand in an attendance card in lieu of signing on the check-in book.

The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the shareholders attending the shareholders' meeting. If Directors are to be elected, ballots shall also be provided.

When the government or a corporate is a shareholder, it may have more than one representative at a shareholders' meeting. When a corporate is appointed to attend a shareholders' meeting, it may designate only one person to do so.

Article 7

When a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. In case the Chairman of the Board is on leave or unable to exercise the power of Chairman, the vice Chairman shall preside. If the Board has not appointed a vice Chairman or the vice Chairman is also on leave or unable to exercise the power of the vice Chairman, the Chairman shall appoint one of the managing directors to preside. If managing directors have not been appointed, one of the directors shall be appointed to preside. When the Chairman has not made such appointment, the managing directors or the directors shall elect a chair from among themselves.

When the chair is elected from the managing directors or directors, those who have held the position for six months or longer and understand the financial and business operations of the Company shall be considered with priority. The same shall be true for a representative of a corporate director that serves as chair.

Shareholders' meetings convened by the Board of Directors shall be attended by a majority of the directors.

If an eligible party other than the Board of Directors convenes a shareholders' meeting, the convening party shall chair the meeting. In case of two or more convening parties, they shall select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related personnels to attend a shareholders' meeting as guests.

Article 8

The Company shall record, uninterruptedly, the full process of the meeting with audio and video, from the beginning of reception, discussions to voting/vote counting.

The aforementioned video and audio files shall be kept for at least one year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be retained until the litigation is closed.

Article 9

Attendance at a shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall include the shares indicated by the check-in book and the sign-in cards handed in, plus the number of shares whose voting rights are exercised in writing or electronically.

The chairman shall call the meeting to order at the appointed meeting time together with such information as the number of non-voting rights and the number of shares present. However, when the attending shareholders have not yet represented a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, are made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

When, prior to the close of the shareholders' meeting, the attending shareholders represent one-half of the total number of issued shares, the chair may resubmit the tentative resolution for a vote at the meeting in accordance with Article 174 of the Company Act.

Article 10

If a shareholders' meeting is convened by the Board of Director, the agenda shall be determined by the Board of Directors. The relevant proposals (including motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall be convened according to the scheduled agenda. The agenda shall not be altered without a resolution adopted at the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by an eligible party other than the Board of Directors.

The chair shall not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda as referred to in the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders. If the chair declares the meeting adjourned in violation of the Rules, other members of the Board of Directors shall promptly assist the attending shareholders to elect a new chair according to statutory procedures, by agreement of one-half of the votes represented by the attending shareholders, and then continue the meeting. The chairperson shall give the opportunity to fully explain and discuss the proposals, as well as

the amendments or motions proposed by the shareholders. When the chairperson is of the opinion that a proposal has been sufficiently discussed to a degree of putting to a vote, the chairperson may announce the discussion closed and bring the proposal to vote. The chairperson shall also allocate sufficient time for voting.

Article 11

An attending shareholder shall, before speaking, complete a speaker's slip indicating the subject of speech, shareholder's account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the chair.

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

Unless permitted by the chair, a shareholder shall not speak more than twice on a proposal, and each speech shall not exceed five minutes. If the shareholder's speech violates the regulations or diverges from the agenda, the chair may terminate it. Unless permitted by the chairman and the shareholder who has the floor, no shareholder shall interrupt the speech; otherwise the chair shall stop such interruption.

When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives appointed may speak on a proposal.

After an attending shareholder has finished his/her speech, the chair may respond in person or appoint relevant personnel to respond.

Article 12

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

With respect to the resolutions at the shareholders' meeting, the number of shares held by a shareholder with no voting right shall not be counted as part of the total number of issued shares. A shareholder, whose interests may be related to a matter so as to potentially jeopardize the interests of the company, shall not vote on that matter, and shall not exercise his/her voting right as proxy for other shareholder.

Under the preceding paragraph, the number of shares which voting rights cannot be exercised shall not be counted 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, a shareholder proxy concurrently appointed by two or more shareholders, shall not have voting rights exceeding 3% of those represented by the total number of issued shares; the excess of voting rights shall not be counted.

Article 13

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

When the Company convenes a shareholders' meeting, shareholders may exercise their voting power in writing or by way of electronic transmission; the method of exercising their voting power shall be described in the shareholders' meeting notice. A shareholder exercising voting rights in writing or electronically will be deemed to have attended the meeting in person, but shall be deemed to have waived his rights with respect to extempore motions and revisions to the original proposals of that meeting. It is therefore advisable that the Company avoids submission of extempore motions and revisions to the original proposals.

The notice about exercising voting rights in writing or electronically shall be delivered to the company at least two days before the date of shareholders' meeting. In case of repeated notice, the one delivered earliest shall prevail, except for the statement for cancellation of former notice. After a shareholder has exercised his voting rights in writing or electronically, if he wishes to attend the meeting in person, he shall withdraw, in the same manner, the previous exercise of voting rights no later than two days before the shareholders' meeting. Once the withdrawal is overdue, the previous exercise of voting rights in writing or electronically shall prevail. When a shareholder has exercised his voting rights in writing or electronically and at the same time has appointed a proxy to attend the shareholders' meeting, the voting rights exercised by the

proxy shall prevail in the meeting.

Except as otherwise dictated in the Company Act and in the Articles of Incorporation, the agreement on a proposal shall require the concurrence of a majority of the voting rights represented by the attending shareholders. At voting, the total number of voting rights of the attending shareholders shall be declared by the chair or a designated person on a case-by-case basis. A proposal is deemed to have passed when no attending shareholders gave an objection after being inquired by the chair, and the effect thereof is the same as a vote. If there is an objection, the voting as referred to in the preceding paragraph shall be adopted.

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

Vote-monitoring and vote-counting personnels for a vote on a proposal shall be appointed by the chair, provided that all monitoring personnels are shareholders of the Company.

When voting on motions or elections, the vote counting shall be conducted at an open space in the shareholders' meeting, and the results, including weights, shall be announced immediately after counting and recorded.

Article 14

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

The ballots for the election as referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnels and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be retained until the litigation is closed.

Article 15

The resolutions made in a shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.

Article 16

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement detailing the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies; the Company shall disclose explicitly the statement at the shareholders meeting.

If a matter put to a resolution at a shareholders' meeting constitutes material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange) regulations, the Company shall upload the content of such resolution to the Market Observation Post System (MOPS) within the prescribed time period.

Article 17

Staff handling the administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

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

At the shareholders' meeting, if a shareholder attempts to speak through any device other than the equipment set up by the Company, the chair may stop the shareholder.

When a shareholder violates the Rules by defying the chair's correction, obstructing the proceedings, or refusing to heed calls to stop, the chair may direct the proctors or security personnels to escort the shareholder from the meeting.

Article 18

When a meeting is in progress, the chair may announce a break in view of the time. If a force

majeure event occurs, the chair may suspend the meeting temporarily and, in view of the circumstances, announce a time to resume the meeting.

If the meeting venue is no longer available for use and the meeting agenda (including extempore motions) has not been fully addressed, the shareholders may agree to resume the meeting elsewhere.

The shareholders may agree to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19

The Rules and any amendments thereafter shall become effective upon resolution at the shareholders' meeting.

Procedures for Acquisition or Disposal of Assets

I. Purpose

Article 1: Purpose

All Ring Tech Co., Ltd. (hereinafter referred to as "the company") formulates the Procedures for Acquisition or Disposal of Assets (hereinafter referred to as "the Procedures"), in order to protect assets and implement information disclosure.

II. Operating Procedures

Article 2: Legal basis

The Procedures is formulated in accordance with Article 36-1 of the Securities and Exchange Act (hereinafter referred to as "the Act") and the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" as stipulated in (91) TCZ (1) No. 091000610 issued by Securities and Futures Management Committee, Ministry of Finance, on December 10, 2002.

Article 3: Scope of assets

- I. Securities: including stocks, bonds, corporate bonds, financial bonds, securities of commendable funds, depository receipts, subscription (sales) warrants, beneficiary securities and asset-based securities.
- II. Real property (including lands, houses, buildings, investment properties, and construction inventories) and equipment.
- III. Membership.
- IV. Intangible assets: include patents, copyrights, trademark rights, and franchises and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of due to legal merger, demerger acquisition or share transfer.
- IX. Other important assets.

Article 4: Definition of terms

- I. Derivatives: Refer to the forward, option, futures, leverage or exchange contracts whose value is derived from specific interest rate, the price of financial instrument, commodity price, exchange rate, price or rate index, credit rating or index or other variables, or the combination thereof, or combined contracts or structured commodities embedded in derivatives, etc. The term "forward contracts" do not include insurance, performance, after-sales service, long-term lease and long-term purchase (sales) contracts.
- II. Assets acquired or disposed of due to legal merger, demerger, acquisition or share transfer: Refer to the assets acquired or disposed of due to merger, demerger, or acquisition conducted in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or due to acquisition of other company's shares (hereinafter referred to "share transfer") by issuing new shares pursuant to Article 156-3 of the Company Act.
- III. Related parties and subsidiary: Shall be determined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to real estate appraiser or other person who engages in the appraisal on real property and equipment in accordance with law.

- V. Occurrence date: refers to the date when transaction contract is signed, payment is made, entrusted transaction is made, transfer is conducted, resolution is made by the Board of Directors, or other date when transaction object and amount can be determined, whichever is earlier. However, for the investment which shall be approved by competent authority, occurrence date shall be the said date or the date when approval is obtained from competent authority, whichever is earlier.
- VI. Investment in mainland China: Refers to investment made in mainland China in accordance with the “Measures for Investment in or Technical Cooperation with Mainland China” issued by the Investment Review Committee under the Ministry of Economic Affairs.
- VII. The unit mainly engaging investment: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises and fund management companies which are lawfully incorporated and are regulated by local competent financial authorities.
- VIII. Stock Exchange: Domestic stock exchange refers to Taiwan Stock Exchange Corporation; overseas stock exchange refers to any securities exchange market that has an organization and is managed by the authority in charge of securities of the state.
- IX. Business place of securities firm: Business place of domestic securities firm refers to the place where the securities firm establishes a special counter for trading in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; business place of overseas securities firm refers to the business place of the financial institution that is managed by the overseas authority in charge of securities and permitted to engage in securities business.
- X. “Within the preceding year” refers to the year preceding the date of occurrence of the acquisition or disposal of assets, without the announced part included.
- XI. "Most recent financial statements" refers to the financial statements which have been publicly verified or audited by CPA(s) prior to lawful acquisition or disposal of assets by the company.

Article 5: Limit of investment in non-operating real property and securities

The said limit for the company and various subsidiaries are as follows:

- I. The total investment in non-operating real property shall not be more than 20% of net value.
- II. The total investment in long-term and short-term securities shall not be more than 40% of net value.
- III. The investment in individual securities shall not be more than 20% of net value.

Article 6: When the Company obtains an appraisal report or a statement of opinion from a CPA, lawyer or securities underwriter, the appraisal service provider and its appraisers, the CPA, lawyer or securities underwriter shall abide by the following regulations:

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

- II. May not be a related party or de facto related party of any party to the transaction.
- III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:
 - 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
 - 2. When **examining** a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
 - 3. They shall undertake an item-by-item evaluation of the **comprehensiveness, accuracy,** and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
 - 4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable **and accurate**, and that they have complied with applicable laws and regulations.

Article 7: Procedures for acquiring or disposing of real property, equipment or right-of-use assets

I. Assessment and operating procedures

Acquisition or disposal of real property, equipment or its right-of-use assets by the company shall be conducted according to the procedures for handling real property, plant and equipment as specified in its internal control system.

II. Procedures for determining transaction conditions and authorization limit

(I) In acquiring or disposing of assets, the company shall refer to publicly-announced current value, appraised value and the real transaction price of nearby real estate for resolving transaction conditions and prices, and the said information shall be compiled into an analysis report and submitted to Chairman. The transaction with an amount no more than NT\$100 million shall be submitted to Chairman for approval and reported at the most recent meeting of Board of Directors on an after-event basis; while, the transaction with an amount exceeding NT\$100 million may be made only after it is approved at the meeting of Board of Directors.

(II) Acquisition or disposal of equipment shall be conducted in the form of price inquiry, price comparison, price negotiation or tender. The transaction with an amount less than NT\$100 million (inclusive) shall be approved by each unit according to authorization; While, the transaction with an amount exceeding NT\$100 million may be made only after it is approved by Chairman and approved at the meeting of Board of Directors.

(III) The acquisition or disposal of assets by the company shall be approved by the board of directors and the audit committee in accordance with the prescribed procedures or other legal provisions. In addition, the company has set Independent Directors in accordance with law. Upon discussion on the transactions for acquisition or disposal of assets at the meeting of Board of Directors in accordance with provisions, the opinions of Independent Directors shall be considered fully and, if any Independent Director has dissenting or qualified opinions, such opinions shall be recorded in the minutes of the meeting of Board of Directors.

The Company has established an Audit Committee pursuant to laws and regulations. The establishment and amendment of the Procedures shall be

approved by the majority of all Audit Committee members and submitted to the Board of Directors for resolutions. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

III. Implementing unit

For acquisition or disposal of real property, equipment or its right-of-use assets by the company, departments using the said items and management office shall be responsible for execution thereof after it is approved and resolved based on the approval and resolution authority.

IV. Appraisal report on real property, equipment or its right-of-use assets

Except for transactions with domestic government institutions, entrusted building on the company's own land or on leased land, or acquisition or disposal of operating equipment, if the transaction amount for acquisition or disposal of real property, equipment or its right-of-use assets reaches 20% of the company's paid-in capital or is more than NT\$300 million, the appraisal report issued by professional appraiser shall be obtained before the occurrence date, and shall comply with the following provisions:

- (I) If any limited or specific price must be used as the reference or basis for transaction price due to special reason, such transaction shall be approved by meeting of the Board of Directors; and the same provision shall apply if any change occurs to its transaction conditions thereafter.
- (II) If transaction amount is over NT\$1 billion, appraisals shall be made by more than two professional appraisers.
- (III) In case of any following conditions occur according to the result of appraisal made by professional appraiser, the difference between the appraisal amount of assets and transaction amount shall be fairly presented [in accordance with the International Financial Reporting Standards 20 issued by the ARDF](#), together with the reasons for the difference and the reasonableness of transaction price. This shall not apply to appraisal result of asset that is higher than the transaction amount.
 1. The difference between the appraisal result and transaction amount is more than 20% of the transaction amount.
 2. The difference between the appraisal result by more than two professional appraisers is over 10% of the transaction amount.
- (IV) It shall be no more than three months between the date when report is issued by professional appraiser and the date when contract is concluded. However, if the current value announced for the same period applies and it is less than six months, opinion document shall be issued by original professional appraiser.
- (V) If the company acquires or disposes of assets through the auction conducted by court, appraisal report or accountant's opinion shall be replaced with the proof document issued by court.

Article 8: Procedures for acquisition or disposal of securities investment

I. Assessment and operating procedures

Purchase and sale of long-term and short-term securities by the company shall be conducted according to the procedures for handling investment as specified in its internal control system.

II. Procedures for determining transaction conditions and authorization limit

- (I) Trading of securities in centralized trading market or the business place of a securities firm shall be determined by the responsible unit based on market situation analysis, and the transaction with an amount less than NT\$100 million (inclusive) shall be approved by Chairman; while, the transaction with an amount exceeding NT\$100 million must be approved at the meeting of the Board of Directors and only then may be made.
- (II) For trading of securities not in centralized trading market or the business place of a securities firm, the most recent financial statements of the target company which have been verified or audited by CPA(s) shall be obtained and used as the reference for evaluating the transaction price, and its net value per share, profitability and future development potential etc. shall be taken into consideration. The transaction with an amount less than NT\$100 million (inclusive) shall be approved by Chairman and reported at the most recent meeting of Board of Directors; while, the transaction with an amount exceeding NT\$100 million must be approved at the meeting of Board of Directors and only then may be made.
- (III) The acquisition or disposal of assets by the company shall be approved by the board of directors and the audit committee in accordance with the prescribed procedures or other legal provisions. In addition, the company has set Independent Directors in accordance with law. Upon discussion on the transactions for acquisition or disposal of assets at the meeting of Board of Directors in accordance with provisions, the opinions of Independent Directors shall be considered fully and, if any Independent Director has dissenting or qualified opinions, such opinions shall be recorded in the minutes of the meeting of Board of Directors.

The Company has established an Audit Committee pursuant to laws and regulations. The establishment and amendment of the Procedures shall be approved by the majority of all Audit Committee members and submitted to the Board of Directors for resolutions. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

III. Implementing unit

The financial unit shall be responsible for the acquisition and disposal of securities upon deciding on the decision-making rights in the above paragraph.

IV. Obtaining expert's opinions

- (I) For acquisition or disposal of securities by the company, the most recent financial statements of the target company which have been verified or audited by CPA(s) shall be obtained before the occurrence date and used as the reference for evaluating the transaction price and, if the transaction amount reaches 20% of the company's paid-in capital or is more than NT\$ 300 million, opinion on the reasonableness of the transaction price shall be obtained from the accountant before the occurrence date and, [if the accountant needs to refer to the expert's report, he/she shall conduct in accordance with the International Financial Reporting Standards 20 announced by the ARDF](#). Except for the securities which have quoted price in active market, or unless otherwise stipulated by FSC (hereinafter referred as "Committee"), the above regulation does not apply.

- (II) If the company acquires or disposes of assets through the auction conducted by court, appraisal report or accountant's opinion shall be replaced with the proof document issued by court.

Article 9: Transaction with related parties

- I. For acquisition or disposal of real estate or its right-of-use assets by the company and its related parties, in addition to handling in accordance with Article 7, the company shall also handle relevant resolution procedures and evaluate the reasonableness of transaction conditions in accordance with the following provisions. In addition, if the transaction amount reaches more than 10% of the total assets of the company, the company shall also obtain the appraisal report issued by the professional appraiser or CPA's opinion in accordance with the following provisions, and the transaction amount shall be calculated in accordance with Article 10-1. In addition, upon judgment that whether transaction object is related party, substantive relation shall be considered, in addition to its legal form.

- II. Evaluation and operating procedures

If the company intends to acquire or dispose of real property or the right-of-use assets thereof from or to related party, or if it intends to acquire or dispose of assets other than real property or the right-of-use assets thereof from or to related party and the transaction amount reaches 20 % or more of the company's paid-in capital, 10 % or more of the company's total assets, or NT\$300 million or more, trading contracts shall be signed and payment shall be made for the following items, except for the trading of domestic government bonds or the bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

Transaction amount shall be calculated in accordance with item (VI) of Paragraph 1 of Article 14, and "within the preceding year" refers to the year preceding the actual occurrence date of the transaction, except for the transaction approved for acknowledgement at the meeting of Board of Directors in accordance with the rules. The Board shall authorize Chairman to approve the following transactions between the company and its parent company or subsidiaries, or the subsidiaries directly or indirectly holding 100% of issued shares or total capital, within a certain authorized scope, in accordance with various procedures, which shall reported at the most recent meeting of Board of Directors on an after-event basis:

- I. Acquisition or disposal of operating equipment or its right-of-use assets
- II. Acquisition or disposal of the right-of-use assets of operating real property

The company has set Independent Directors in accordance with law. Upon discussion at the meeting of Board of Directors, the opinions of Independent Directors shall be considered fully and, if any Independent Director has dissenting or qualified opinions, such opinions shall be recorded in the minutes of meeting of Board of Directors.

- (I) The purpose, necessity and anticipated benefits of the acquisition or disposal of assets.
- (II) The reason for choosing related party as a transaction object.
- (III) For acquisition of real property or its right-of-use assets from related parties, information related to the appropriateness of preliminary transaction conditions shall be evaluated in accordance with Paragraph 3 of this Article.
- (IV) The date when and the price at which the related party originally acquires assets, transaction object, and its relation with the company and related party etc.
- (V) The cash income and expenditure statements of each month in the following

year after the anticipated month in which contract will be signed, and evaluation on the necessity of the transaction and reasonableness of fund use.

(VI) The appraisal report issued by professional appraiser or accountant's opinion as obtained in accordance with the aforementioned provision.

(VII) Restrictions and other important stipulations for the transaction.

III. Assessment on the appropriateness of transaction costs

(I) For the real property or its right-of-use assets acquired by the company from related party, the appropriateness of transaction costs shall be assessed according to the following:

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

(II) The transaction costs of the land and premises evaluated respectively in accordance with either of the methods mentioned in the preceding paragraph, in case of combined purchase or lease of the land and premises of the same transaction object.

(III) For acquisition of real property or its right-of-use assets by the company from related parties, the costs of the real property or its right-of-use assets shall be evaluated in accordance with item (I) and (II) of Paragraph 3 of this Article, and shall be reviewed by accountant who shall give his/her specific opinions.

(IV) If the transaction price for acquisition of real property or its right-of-use assets by the company from related parties is relatively low as compared with the result of evaluation made in accordance with item (I) and (II) of Paragraph 3 of this Article, it shall be handled according to item (V) of Paragraph 3 of this Article. However, it does not apply to the following conditions, and that objective evidence is provided and professional appraiser's and accountant's opinions on specific reasonableness in respect of the real property are obtained:

1. Where the related party acquires land or leased land for construction, and one of the following conditions is met with evidence:

(1) Undeveloped land shall be evaluated according to the method specified in the aforementioned provision, and houses according to related party's construction costs plus reasonable construction profits. The sum exceeds actual transaction price. For the purpose of this paragraph, "reasonable construction profits" shall be the average gross operating profit of the related party's construction department in the most recent three years, or the gross profit of construction industry in the most recent period as published by the Ministry of Finance, whichever is lower.

(2) Where transaction is made with the party other than related parties for other floors of the same object property or adjacent district with similar area within the preceding year, according to the equivalent conditions

as evaluated based on the price difference of the floor or area used in the trading and leasing practice of real property.

2. Where the company acquiring real property or obtaining its right-of-use assets through leasing from related party provides evidence that the transaction conditions are similar with the conditions of the transactions made in neighboring place involving similar area by unrelated parties within the preceding year. For the purpose of the preceding paragraph, “transactions made in neighboring place” in the principle refer to the transactions made in the same or adjacent block and no more than 500 meters away from transaction object or with a value closing to publicly announced current value; “similar area” in the principle refers to such area transacted by unrelated parties as is no less than 50 % of the area of transaction object; “within the preceding year” refers to the year preceding the date of occurrence of the acquisition of the real property.
- (V) Where the company acquires real estate or its right-of-use assets from related parties, and the evaluation result is lower than the transaction price according to the provisions of Subparagraphs (1) and (2) of Paragraph 3 of this Article, the following matters shall be handled. Where the company and the public company adopting the equity method for evaluation of the company's investment set aside special surplus reserve according to the above provisions, the company shall recognize the loss from falling price of the assets purchased or leased at a high price, or dispose of or terminate the lease, or make appropriate compensation or restitution, or have other evidence to determine that there is no unreasonable, and the Financial Supervisory Commission agreed, before the use of the special surplus reserve.
- (VI) In case of any following conditions, acquisition of real property or its right-of-use assets by the company from related parties shall be conducted in accordance with the relevant evaluation and operation procedures specified in Paragraph 1 and 2 of this Article, and the provisions for evaluating the appropriateness of transaction costs specified in item (I), (II) and (III) under Paragraph 3 of this Article shall not apply:
1. Related parties obtain real property or its right-of-use assets due to inheritance or gift.
 2. More than five years have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 3. The real property or its right-of-use asset is acquired through signing joint development contract with related parties, or through engaging related parties to build real property, either on the company's own land or on leased land.
 4. Public offering company and its parent company, subsidiaries, or the subsidiaries that the company directly or indirectly hold 100% issued shares or total assets acquire(s) the right-of-use assets of operating real property of each other.
- (VII) The company shall also comply with item (V), Paragraph 3 of this Article if there is other evidence indicating that the acquisition of real property from related party was not an arm's length transaction.

Article 10: Procedures for acquisition or disposal of intangible assets or right-of-use assets thereof, or membership certificates

I. Assessment and operating procedures

Acquisition or disposal of intangible assets or their right-of-use assets or membership

by the company shall be conducted according to the procedures for handling fixed assets as specified in its internal control system.

II. Procedures for determining transaction conditions and authorization limit

(I) For acquisition or disposal of membership, market fair value shall be taken into consideration for resolving transaction conditions and prices, and the said information shall be compiled into an analysis report and submitted to Chairman. The transaction with an amount less than NT\$100 million shall be submitted to Chairman for approval and reported at the most recent meeting of Board of Directors on an after-event basis; while, the transaction with an amount exceeding NT\$100 million must be approved at the meeting of Board of Directors and only then may be made.

(II) For acquisition or disposal of intangible assets or their right-of-use assets or membership, expert's analysis report or market fair value shall be taken into consideration for resolving transaction conditions and prices, and the said information shall be compiled into an analysis report and submitted to Chairman. The transaction with an amount less than NT\$100 million shall be submitted to Chairman for approval and reported at the most recent meeting of Board of Directors on an after-event basis; while, the transaction with an amount exceeding NT\$100 million must be approved at the meeting of Board of Directors and only then may be made.

(III) The acquisition or disposal of assets by the company shall be approved by the board of directors and the audit committee in accordance with the prescribed procedures or other legal provisions. In addition, the company has set Independent Directors in accordance with law. Upon discussion on the transactions for acquisition or disposal of assets at the meeting of Board of Directors in accordance with provisions, the opinions of Independent Directors shall be considered fully and, if any Independent Director has dissenting or qualified opinions, such opinions shall be recorded in the minutes of the meeting of Board of Directors.

The Company has established an Audit Committee pursuant to laws and regulations. The establishment and amendment of the Procedures shall be approved by the majority of all Audit Committee members and submitted to the Board of Directors for resolutions. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

III. Implementing unit

For acquisition or disposal of intangible assets or their right-of-use assets or membership by the company, department using the said items and financial or administrative department shall be responsible for execution thereof after it is approved and resolved based on the approval and resolution authority.

IV. Expert's analysis report on intangible assets or their right-of-use assets or membership

Except for transactions with government institutions, if the transaction amount for acquisition or disposal of intangible assets or their right-of-use assets or membership reaches 20% of the company's paid-in capital or is more than NT\$300 million, accountant's opinion on the reasonableness of the transaction price shall be required before the occurrence date, [and the accountant shall comply with the International](#)

[Financial Reporting Standards 20 issued by the ARDF.](#)

Article 10-1: For the purpose of the preceding three Articles, transaction amount shall be calculated in accordance with item (VI) under Paragraph 1 of Article 14, and “within the preceding year” refers to the year preceding the date of occurrence of the transaction, except for the transaction for which the appraisal report issued by professional appraiser or accountant’s opinion is obtained in accordance with the rules.

Article 11: Procedures for acquisition or disposal of the claims of financial institutions

In the principle, the company does not engage in acquisition or disposal of the claims of financial institutions, but if the company intends to do so, the evaluation and operation procedures for that will be formulated after it is approved by the Board of Directors.

Article 12: Procedures for acquisition or disposal of derivative commodities

I. Trading principles and policies

(I) Type of transaction

1. The company’s derivative financial commodities refer to the trading contracts which value is derived from assets, interest or exchange rate, index or other benefits or other products, such as forward, option, futures, interest rate, exchange rate or exchange contracts, or the compound contracts etc. composed of the said products.
2. The matters related to bond guarantee transaction shall be handled in accordance with the relevant provisions of the Procedures. The bonds transaction under redemption contract shall not apply to the Procedures.

(II) Operation (hedging) strategies

The company shall conduct derivative financial commodities transaction for hedging purpose, and the products which may evade the risks resulting from the company’s business shall be selected mainly. Various transactions must be evaluated cautiously and may be made only after they are approved based on approval authority. Transaction for other specific use must be evaluated cautiously and approved at the meeting of the Board of Directors, and only then may be made.

(III) Division of duties

1. Financial Department

(1) Trading personnel

- A. Trading personnel shall be responsible for drafting strategies for all financial product transactions for the company.
- B. Trading personnel shall carry out calculation on every Tuesday regularly, collect market information, make trend judgment and risk assessment, and draft operation strategies which shall be used as the basis for making transaction after it is approved based on approval authority.
- C. Trading personnel shall execute trading according to the authority granted to them and established strategies.
- D. If there is any significant change in financial market and any judgment made by trading personnel is not applicable based on established strategies, trading personnel shall make assessment report at any time to re-draft strategies, which shall be used as the basis for making transaction after they are approved by general manager.

(2) Accounting personnel

- A. Confirmation on transaction.
- B. Review that whether transaction is conducted based on authorization

and the established strategies.

C. Make evaluation and submit report to general manager on a monthly basis.

D. Accounting treatment.

E. Make declaration and announcement in accordance with the regulations of the Securities and Futures Management Committee.

(3) Settlement personnel: Perform settlement tasks.

(4) Authority for making approval for and resolution on derivative commodities

A. Authority for making approval for and resolution on hedging transactions

Authorized Person	Right for Daily Trading	Right for Net Cumulative Trading
President	Less than US\$500,000 (inclusive)	Less than US\$2,000,000 (inclusive)
Board of Directors	More than US\$500,000	More than US\$2,000,000

B. Transaction for other specific purpose may be made only after it is approved at the meeting of Board of Directors.

C. The acquisition or disposal of assets by the company shall be approved by the board of directors and the audit committee in accordance with the prescribed procedures or other laws and regulations. In addition, the company has set Independent Directors in accordance with law. Upon discussion on the transactions for acquisition or disposal of assets at the meeting of Board of Directors in accordance with provisions, the opinions of Independent Directors shall be considered fully and, if any Independent Director has dissenting or qualified opinions, such opinions shall be recorded in the minutes of the meeting of Board of Directors.

The Company has established an Audit Committee pursuant to laws and regulations. The establishment and amendment of the Procedures shall be approved by the majority of all Audit Committee members and submitted to the Board of Directors for resolutions. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

2. Audit Department

Audit Department shall examine the appropriateness of the internal control of derivatives transaction, and audit the transaction departments in regards of the compliance with the procedures for dealing with derivatives transaction. Analysis on the trading cycle should be made and the audit report should be issued. In case of any material deficiency, Board of Directors should be reported.

3. Performance evaluation

(1) Hedging transactions

A. The profit and loss from the exchange rate costs on the company's book and derivatives transactions shall be used as the basis for performance evaluation.

- B. In order to fully grasp and express the risks of transaction evaluation, the company evaluates profit and loss by adopting monthly evaluation method.
- C. Financial Department shall provide general manager with foreign exchange evaluation as well as foreign exchange trend and market analysis as the reference and direction for management.
- (2) Transactions for special purpose
 - The profit and loss actually occurred shall be used as the basis for performance evaluation, and accounting personnel must regularly prepare and provide managements with statements for reference.
- 4. Determination of total contract amount and loss limit
 - (1) Total contract
 - A. Limit of hedging transactions
 - Financial Department shall grasp the company's overall status to avoid transaction risks. The amount of hedging transaction shall not exceed two-thirds of the company's net amount, otherwise it shall be reported to general manager for approval.
 - B. Transaction for special purposes
 - Financial Department must draft strategies, based on the forecasts made on market changes, depending on needs, and report the same to general manager and Chairman, and implement the same only after they are approved. The total net cumulative contract amount of the transactions made by the company for specific purposes shall be limited within US\$3 million, and any amount exceeding such limit shall be agreed by the Board of Directors, and then may be implemented according to policies and directions.
 - (2) Determination of the upper limit of loss
 - A. There is no need to set a hedging transaction to avoid risk.
 - B. If a transaction contract is made for specific purpose, stop-loss limit shall be set to prevent over-loss. For setting stop-loss limit, loss shall not exceed 10% of transaction contract amount as an upper limit. If the amount of loss exceeds 10% of transaction amount, it shall be reported to general manager immediately, and reported to the Board of Directors to negotiate about the necessary countermeasures.
 - C. The maximum amount of annual loss from the transaction of the company made for specific purpose is US\$300,000.

II. Measures for risk management

(I) Credit risk management:

Since market is subject to the changes in various factors, it is easy to cause risks due to the operation of derivatives, thus credit risk management shall be conducted in the following principles:

Transaction objects: Mainly the renowned financial institutions at home and abroad.

Trading products: Limited to the commodities provided by the renowned financial institutions at home and abroad.

Transaction amount: the amount of the same trading counterpart's outstanding transactions shall not exceed 10% of the total authorized amount, except for those approved by the President.

(II) Market risk management:

Market risk management mainly applies to the market of public foreign exchange transactions made with banks. Futures market is not considered temporarily.

(III) Liquidity risk management:

In order to ensure market liquidity, the financial products with a relatively high liquidity (i.e. the products which may be traded in market at any time) shall be mainly selected, and the financial institutions entrusted for transaction must have sufficient information and the ability to make transactions in market at any time.

(IV) Cash flow risk management

In order to ensure the stability of the company's operation capital, the company's funds used for derivatives transaction shall be sourced from its own funds, and the operation amount shall be determined according to the demands for funds forecast based on the cash receipts and expenditures of the future three months.

(V) Operation risk management

1. The amount authorized by the company and the company's operation procedures shall be followed actually and internal audit shall be conducted to avoid operation risks.

2. The person conducting derivatives transaction shall not hold concurrent posts that make confirmation or settlement, and vice versa.

3. Risk measurement, monitoring and control personnel shall be assigned to the department different from that of the said personnel, and shall report to the Board of Directors or senior managements with no responsibility for trading or position decision-making.

4. The units conducting derivatives transaction shall carry out evaluation, at least, once every week, or twice every week due to the needs for hedging transaction, and the appraisal report shall be submitted to the senior management authorized by the Board of Directors. The senior management authorized by the Board of Directors.

(VI) Commodity risk management

Internal transaction personnel shall have complete and correct professional knowledge in respect of financial commodities, and require bank to disclose risks fully to avoid the risks caused by misuse of financial commodities.

(VII) Legal risk management:

To prevent legal risks, any document signed with a financial institution shall be inspected by designated personnel from foreign exchange department and legal department or legal consulting department prior to official signing.

III. Internal audit system

(I) Internal auditors shall regularly know legitimacy of operating procedures for derivative product trading, perform monthly auditing on the implementation of the Operating Procedures for Derivative Product Transactions, analyze trading cycle and produce written auditing reports. Independent Directors have been set up in accordance with this Law, and they should be notified in writing.

(II) Internal auditor shall submit audit report along with annual internal audit status to the Securities & Futures Institute before the end of February in the following year, and report the correction measures for any abnormality to the Institute before the end of May of next year.

IV. Regular evaluation method

(I) The Board of Directors shall authorize senior management to regularly supervise and evaluate whether derivatives transaction is conducted

according to the procedures formulated by the company and whether risks are undertaken within permitted scope. The Board of Directors shall be reported immediately and countermeasures be taken in case of any abnormality indicated in market price appraisal report (if any loss exceeds limit).

- (II) The company shall evaluate derivatives transaction positions at least once every week, or twice every week for hedging transaction when it is conducted based on business need. The appraisal report shall be submitted to the senior management authorized by the Board of Directors.

V. Principles for supervision and management by the Board of Directors on derivatives transaction

- (I) The Board of Directors shall require senior managements to pay attention, at any time, to the supervision and control over the risks of derivatives transactions, and the management principles are as follows:

1. It shall be evaluated regularly that whether the risk management measures adopted at present are proper and actually implemented in accordance with the Rules and the procedures for dealing with derivatives transaction by the company.
2. Transactions as well as profit and loss shall be supervised, and necessary countermeasures shall be taken in case of any abnormality detected, and it shall be reported to the Board of Directors. If the company has set Independent Directors, Independent Directors shall attend the meeting of the Board of Directors and give opinions.

- (II) It shall be evaluated regularly that whether the performance of derivatives transactions comply with the established operation strategies and whether the risks are undertaken within the permitted scope by the company.

- (III) When the company engages in derivatives transactions, it shall appoint relevant personnel to deal with the affairs in accordance with the procedures for dealing with derivatives transaction, but it shall be reported to the Board of Directors afterwards.

- (IV) If the company engages in derivatives transactions, it shall establish checking book, in which the type and amount of the derivatives transaction, the date when the transaction is approved by the Board of Directors, and the matters which shall be evaluated cautiously in accordance with item (II) of Paragraph 4 as well as item (I) and (II) of Paragraph 5 of this Article shall be specified.

Article 13: Procedures for merger, demerger acquisition, or share transfer

I. Assessment and operating procedures

- (I) For merger, demerger acquisition or share transfer, the company shall invite lawyer(s), accountant(s) and underwriter(s) to research and discuss legal procedures and expected schedule jointly, and organize project group to implement that according to legal procedures. Accountant(s), lawyer(s) or underwriter(s) shall be engaged to give opinions on the reasonableness of share exchange ratio, acquisition price or distribution of cash or other properties to shareholders, and report to the Board of Directors for approval thereof. However, for the company merge the subsidiaries which the company directly or indirectly holds 100% of issued shares or total assets, or merger between/among the subsidiaries which the company directly or indirectly holds 100% of issued shares or total assets, expert's opinion on reasonableness is not required.

- (II) The company shall make document and specify the important contents and related issues of merger, demerger, or acquisition agreements in such document, before the meeting of the Board of Shareholders is held, which

shall be submitted to shareholders together with the expert's opinions specified in item (I), Paragraph 1 of this provision and the notice of the meeting of the Board of Shareholders, as the reference for determining whether to agree on such merger, demerger or acquisition. However, except for the merger, demerger or acquisition which, subject to law, does not need to be resolved at the meeting of Board of Shareholders, the above regulation does not apply. In addition, if the meeting of the Board of Shareholders held by any company participating in merger, demerger or acquisition cannot be held and resolution cannot be made due to inadequate attendance or voting, or resolution is dissented at such meeting, companies participating in merger, demerger or acquisition shall immediately explain publicly the reasons, subsequent procedures and estimated date for holding another meeting of Board of Shareholders.

II. Other directions

- (I) Date of meeting of Board of Directors: The companies participating in merger, demerger or acquisition shall hold the meeting of the Board of Directors and the meeting of Shareholders on the same day to resolve the issues related to the merger, demerger or acquisition, unless otherwise provided in other laws, or unless it is reported to and agreed by the Committee in advance due to any special reason. The companies participating in share transfer shall hold the meeting of the Board of Directors on the same day , unless otherwise provided in other laws, or unless it is reported to and agreed by the Committee in advance due to any special reason.
- (II) Confidentiality commitment: The personnel participating in or privy to the company's merger, demerger, acquisition or share transfer shall issue a written letter of confidentiality commitment, and shall not disclose the contents of the plans before disclosure of the information, nor shall they use their own names or under the names of other person to purchase or sell the shares and other equity securities of all the companies related to merger, demerger, acquisition or share transfer.
- (III) Principles for determining and changing share exchange ratio or acquisition price: The companies participating in merger, demerger, or acquisition shall, before the meeting of the Board of Directors held by both parties, appoint accountant(s), lawyer(s) or underwriter(s) to give their opinions on the reasonableness of share exchange ratio, acquisition price or distribution of cash or other properties to shareholders and report that at the meeting of the Board of Directors. In principle, share exchange ratio or acquisition price shall not be changed for free, except for the conditions for change are specified in contracts and disclosed to the public. The conditions for changing share exchange ratio or acquisition price are as follows:
 - 1. Cash capital increase, issuance of convertible corporate bonds, unpaid allotment of shares, issuance of corporate bonds with equity, subscription of preferred shares with equity, warrants and other equity securities.
 - 2. Disposal of the company's major assets or other act which influences the company's finance and business.
 - 3. Material disasters, major technology change, or other matters which influence the company shareholder's equity or security price.
 - 4. Adjustment made due to repurchase of treasury stock by any company participating in merger, demerger, acquisition or share transfer.
 - 5. Change in the number of the entities or companies participating in merger, demerger, acquisition or share transfer.
 - 6. Other condition for change specified in contract and disclosure thereof to

- the public.
- (IV) The contents which shall be specified in contracts: The company which conducts merger, demerger, acquisition or share transfer shall comply with Article 317-1 of the Company Act and Article 22 of the Enterprises Mergers and Acquisitions Act, and the following issues shall be specified.
1. Handling against breach of contract.
 2. Principles for handling the equity securities issued, or treasury shares repurchased, previously by any company which disappeared due to merger or demerger.
 3. Number of and principles for handling the treasury shares repurchased legally by participating companies after the reference date of calculating share exchange ratio.
 4. Method for handling changes in the number of participating entities or companies.
 5. Expected schedule for plan execution, and anticipated completion date.
 6. Expected date and relevant procedures for holding the meeting of Board of Shareholders legally in case of failure in completing plan as scheduled.
- (V) Change in the number of the companies participating in merger, demerger, acquisition, or share transfer: If any company participating in merger, demerger, acquisition or share transfer intends to carry out another merger, demerger, acquisition or share transfer with other companies after its information is disclosed to the public, the procedures or legal actions already completed for the original merger, demerger, acquisition or share transfer shall be carried out again. Except for the number of participating companies decreases, and the Board of Shareholder had resolved to authorize the Board of Directors to change authority, the company is exempt from holding the meeting of the Board of Shareholders to make resolution again.
- (VI) Information Retention: The companies participating in merger, demerger, acquisition or share transfer which are listed or which stocks are traded in security firms shall make the following information into complete written records and keep the same for five years for checking purpose:
1. Basic information of personnel: Including the titles, names and ID card numbers (passport numbers for foreigners) of all the persons participating in the plan or implementation of merger, demerger, acquisition or share transfer before disclosure of information.
 2. Date of important events: Including the date of signing letters of intent, memoranda or contracts, and the date of entrusting financial or legal consultants, and the date of holding meetings of the Board of Directors etc.
 3. Important documents and minutes: Including merger, demerger, acquisition or share transfer plans, letters of intent or memoranda, important contracts, and minutes of the meetings of Board of Directors etc.
- (VII) Information declaration: The listed companies participating in merger, demerger, acquisition or share transfer or companies whose stocks are traded in security firm shall declare the information specified in above item I and II, to Internet-based information system, in stipulated form, within two days immediately after resolution is passed at the meeting of the Board of Directors, for checking purpose.
- (VIII) When a company participating in a merger, demerger, acquisition or transfer of share is not a public company, the Company shall sign an agreement with it and shall handle pursuant to Paragraph 2 (1) date of board meeting, (2) prior confidentiality commitments and (5) changes in the addend of companies participating in merger, demerger, acquisition or transfer of shares,

(6) data retention, (7) information declaration.

Article 14: Procedures for information disclosure

For acquisition or disposal of assets by public offering company, in case of any following conditions, relevant information shall be reported on the designated website, in stipulated form, depending on its nature, within two days immediately after the occurrence date:

- I. Acquisition or disposal of real property or its right-of-use assets from or to related parties, or acquisition or disposal of the assets other than real property or its right-of-use assets from or to related parties with the transaction amount reaching 20% of the company's paid-in capital, 10% of total assets or NT\$300 million, except for trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger acquisition, or share transfer is conducted.
- III. The loss from derivatives transaction reaches the maximum loss limit set for all or individual contracts as specified in formulated procedures.
- IV. Operating equipment or its right-of-use asset is acquired or disposed of, and the transaction object is not related party, and the transaction amount meets one of the following conditions:
 - (I) The transaction amount is more than NT\$500 million, if the transaction object is a public offering company with less than NT\$10 billion of paid-in capital.
 - (II) The transaction amount is more than NT\$1 billion, if the transaction object is a public offering company with more than NT\$ 10 billion of paid-in capital.
- V. The public offering company engaging in construction business obtains or disposes of the real property for construction or its right-of-use assets, and the transaction object is not a related party, and the transaction amount is more than NT\$ 500 million; A public offering company with more than NT\$10 billion of paid-in capital disposes of self-constructed real property and the transaction object is not a related party, and the transaction amount is more than NT\$1 billion.
- VI. Real property or its right-of-use asset acquired by engaging others to build on the company's own land or rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, in which the amount the company is expected to invest is more than NT\$500 million, and the transaction object is not a related party.
- VII. If transaction amount reaches 20% of the company's paid-in capital or is more than NT\$300 million, except for the assets trading, disposal of claims by financial institutions or investment in mainland China specified in the above six paragraphs. However, this provision shall not apply to the following conditions:
 1. Trading of domestic government bonds.
 2. Securities trading in securities exchange or the business place of securities firm, or subscription of corporate ordinary bonds privately offered and the general financial bonds not involving equity (excluding the secondary bonds) in primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription of securities due to securities firm's needs for underwriting or in accordance with the Taiwan Regulations for Security Trading Center, mainly engaging in investment.
 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.The said transaction amount shall be calculated in the following method, and

“within the preceding year” refers to the year preceding the actual occurrence date of the transaction, except for the transaction announced in accordance with stipulations.

- a. The amount of each transaction.
- b. The cumulative amount of the transaction made with the same counterparty for the object with the same nature within the preceding year.
- c. The cumulative amount of real property or its right-of-use assets acquired or disposed of (accumulated respectively) for the same development plan within the preceding year.
- d. The cumulative amount of the same security acquired or disposed of (accumulated respectively) within the preceding year.

VIII. Time limit for making announcement and declaration

If acquisition or disposal of assets by the company, subject to Paragraph 1 of this Article, contains the items to be announced as specified in the Paragraph 1 of this Article and its transaction amount reaches the announcement and declaration standards specified in this Article, announcement and declaration shall be made two days immediately after the actual occurrence of the event.

IX. Announcement and declaration procedures

- (I) The Company shall announce and declare relevant information on the website designated by the Securities and Futures Management Committee.
- (II) The company shall enter the status of the derivatives transactions made by the company and its subsidiaries abroad as of the end of last month, into the information declaration website designated by the Committee, in stipulated form, on monthly basis, before the 10th day of each month.
- (III) If the company shall make correction due to error or omission upon announcement of any item which, subject to stipulations, shall be announced, it shall re-announce and redeclare all items within two days immediately after the date when the deficiency is found.
- (IV) For acquisition or disposal of assets, the company shall keep relevant contracts, minutes, checking books, appraisal reports as well as accountant's, lawyer's or securities underwriter's opinion documents in the company for at least five years, unless otherwise stipulated by law.
- (V) In case of any following conditions after announcing and declaring transactions according to the aforementioned provisions, the company shall announce and report relevant information on the website designated by the Committee, within two days immediately after the occurrence date.
 1. Any relevant contract signed for original transaction is changed, terminated or cancelled.
 2. The merger, demerger, acquisition or share transfer is not completed by the scheduled date set forth in the contract.
 3. Any content originally announced and declared is changed.

Article 15: The Company's subsidiaries shall comply with the following provisions:

- I. Subsidiaries shall formulate the “Procedures for Acquisition or Disposal of Assets” in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, which shall be reported to the Board of Shareholder of both parties after it is approved at the meeting of the Board of Directors of subsidiaries. The same shall apply to the amendment thereof.
- II. Acquisition or disposal of assets by subsidiaries shall also be conducted in accordance with the company's stipulations.

III. If a subsidiary is not a public offering company, but, its acquisition or disposal of assets reaches the declaration standards specified in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", parent company, on behalf of the subsidiary, shall announce and declare relevant information.

IV. "Paid-in capital or total assets" indicated in the announcement and declaration standards of the subsidiaries, refers to the paid-in capital or total assets of parent company (the company).

Article 15-1: 10% of total assets shall be calculated based on the amount of the total assets set forth in the most recent individual financial report made in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

If any foreign company's stock has no par value or its par value per share is not NT\$10, 20% of paid-in capital as transaction amount as referred to in Articles 7 to 10 and Article 14 and Article 15 shall be calculated based on 10% of shareholders' equity; With regard to public offering companies with more than NT\$10 billion of paid-in capital shall be calculated based on NT\$20 billion of the equity attributable to the owners of parent company.

Article 16: Penalty provisions

If the company's employees handling acquisition and disposal of assets are in breach of the Procedures, he/she will be reviewed in accordance with the company's HR management measures and Staff Manual. Penalties will be imposed on him/her depending on the degree of the violation.

Article 17: Implementation and amendment

The acquisition or disposal of assets by the company shall be approved by the board of directors and the audit committee in accordance with the prescribed procedures or other laws and regulations. In addition, the company has set Independent Directors in accordance with law. Upon discussion on the transactions for acquisition or disposal of assets at the meeting of Board of Directors in accordance with provisions, the opinions of Independent Directors shall be considered fully and, if any Independent Director has dissenting or qualified opinions, such opinions shall be recorded in the minutes of the meeting of Board of Directors.

The Company has established an Audit Committee pursuant to laws and regulations. The establishment and amendment of the Procedures shall be approved by the majority of all Audit Committee members and submitted to the Board of Directors for resolutions. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in Paragraph 3 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 18: Supplementary Rules

Any matters not set forth in the Procedures shall be handled in accordance with relevant laws and regulations.

III. Control Points

Part 1: Acquisition or disposal of assets

2. Does the total amount of non-operating real property and securities exceed limit?
3. Acquisition or disposal of real property or equipment
 - (1) Is it approved by Chairman or the Board of Directors.

- (2) Is analysis report made for acquisition of real property.
- (3) Whether the appraisal report issued by the professional appraiser is obtained in the operation procedure of acquiring or disposing assets.
4. Acquisition or disposal of securities investment
 - (1) Is it approved by Chairman or the Board of Directors.
 - (2) For the acquisition in centralized trading market or the business place of securities firm, is the analysis report on the unrealized profit or loss from long-term and short-term securities provided to the Board of Directors?
 - (3) For the acquisition not in centralized trading market or the business place of securities firm, are the most recent financial statements of object company which have been verified or audited by CPA(s) used as the reference for evaluating the transaction price? If not, whether there's any reasonable explanation?
 - (4) Is accountant's opinion on the reasonableness of transaction price obtained, if the securities traded not in centralized trading market or the business place of securities firm or privately offered securities are acquired or disposed of, and the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million.
5. Is acquisition from related parties conducted according to the company's "Procedures for Acquisition or Disposal of Assets".
6. Is acquisition or disposal of membership or intangible assets conducted according to the company's "Procedures for Acquisition or Disposal of Assets".
7. Is merger, demerger, acquisition or share transfer conducted according to the company's "Procedures for Acquisition or Disposal of Assets".
8. Are the affairs related to announcement and declaration dealt according to the procedures stipulated by competent authority?
9. Have subsidiaries formulated the "Procedures for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies"? Has parent company dealt with the affairs for declaration for its subsidiaries, if such subsidiary is not a public offering company?
10. Has the employee violating Procedures for acquisition or disposal of assets been reviewed in accordance with the company's HR management measures and Staff Manual and penalties been imposed depending on the degree of the violation?

Part 2: Engaging in the derivatives transaction

11. Does the Procedures comply with laws and regulations.
12. Are derivatives transactions made in response to the risks arising from the company's business and operation.
13. Does trading contract not exceed stipulated limit.
14. Are responsibilities and powers divided properly.
15. Have various transactions been approved properly.
16. Does relevant accounting treatment comply with generally recognized accounting principles.
17. Does operation comply with procedures and provide appropriate management on relevant risks.
18. Does subsidiary conduct derivatives transactions according to parent company's stipulations?
19. Whether the public announcement and declaration are conducted in accordance with the regulations of the competent authority.

IV. Attachment: Derivatives Checking Book

Share Ownership of Directors

I. The amount of legally held shares of the current directors of the Company are as follows:

Ordinary shares issued by the company 83,323,902 shares

Shares legally held by all Directors 8,332,390 shares

If the Company has elected two or more independent directors, the share ownership figures calculated at the rates (10%) set forth in the Rules for all directors, other than the independent directors, shall be decreased to 80 percent (6,665,912 shares).

II. The shareholding of individual and all directors in the shareholders' list as of the book closure date.

The status of current shareholding is listed follows:

Base date: April 11, 2022

Title	Name	Current Shareholding	
		Shares	Percentage of Shareholding
Chairman of the Board	Ching-Lai Lu	3,757,283	4.51%
Director	Hsin-Yao Cheng	413,513	0.50%
Director	Chien-Chang Chen	2,732,431	3.28%
Director	Li Chiao Investment Co., Ltd.	7,355,625	8.83%
Director	Hanlin Construction Co., Ltd.	775,000	0.93%
Director	Keen Honest Investment Limited	1,630,000	1.95%
Independent Director	Ming-Hsien Li	0	0.00%
Independent Director	Cho-Hua Kuang	0	0.00%
Independent Director	Chang-Jen Chen	0	0.00%
Subtotal of Directors		16,663,852	20.00%