

Stock code: 5536



ACTER GROUP CORPORATION LIMITED

**Handbook for the 2024
Annual Meeting of Shareholders**

MEETING TIME: May 24, 2024

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I. Meeting Procedure

ACTER GROUP CORPORATION LIMITED

Procedure for the 2024 Annual Meeting of Shareholders

- 1. Call the Meeting to Order**
- 2. Chairperson Remarks**
- 3. Report Items**
- 4. Proposals**
- 5. Discussion**
- 6. Elections**
- 7. Other Matters**
- 8. Questions and Motions**
- 9. Adjournment**

II. Agenda of Annual Meeting of Shareholders

ACTER GROUP CORPORATION LIMITED

2024 Annual Shareholders' Meeting

Meeting Agenda

(Translation)

Time : 09:00 a.m on Friday, 24 May, 2024

Method : Visual communication assisted shareholders meeting

Place : B2F, No.201, Sec. 2, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan
(SWEETEN PLAZA's international hall)

Platform of virtual meeting : The e-Meeting platform of TDCC
(<https://stockservices.tdcc.com.tw>)

Chairperson : Chairman Liang, Chin-Li

1. Call the Meeting to Order

2. Chairperson Remarks

3. Report Items

- (1) To report the distribution of 2023 employee and director compensation.
- (2) To report 2023 Business Report.
- (3) Audit Committee's Review Report of 2023 Financial Statements.
- (4) To report the distribution of 2023 cash dividends.
- (5) To report 2023 Corporate governance report.
- (6) To report the 2023 annual operation of Audit Committee and its communication with the company's chief internal auditor.
- (7) To report the connection and reasonableness between the compensation policy of the directors and managerial officers and performance assessment results in 2023.

4. Proposals

- (1) Adoption of the 2023 Business Report and Financial Statements.
- (2) Adoption of the Proposal for Distribution of 2023 Profits.

5. Discussion

- (1) Discussion on the proposal to amend "Articles of Incorporation."

(2) Discussion on the proposal to amend “Rules of Procedure for Shareholder Meetings.”

(3) Discussion on the proposal to amend “Procedure for Acquisition or Disposal of Assets.”

6. Elections

(1) To elect 7 members of the 13th Board of Directors. (Including 4 independent directors)

7. Other Matters

(1) To release the directors and their representatives from non-competition restrictions.

8. Questions and Motions

9. Adjournment

III. Report Items

Report No. 1 : To report the distribution of 2023 employee and director compensation. (Proposed by the Board of Directors)

Explanation :

- (1) The Board of Directors resolved that when distributing the surplus profits for each fiscal year, the company shall first offset its losses of previous years and set not less than three percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to employees; and then set not more than five percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to directors. Independent directors shall be excluded from distribution.
- (2) The company proposed to allocate 6% for employee compensation (not less than 3%) in the amount of NTD 141,100,771. It also planned to allocate 3% for the compensation of directors (not higher than 5%) in the amount of NTD 70,550,385.

Report No. 2 : To report 2023 Business Report. (Proposed by the Board of Directors)

Explanation : The 2023 Business Report is attached as pp. [13-32], Attachment 1 and Attachment 2.

Report No. 3 : Audit Committee's Review Report of 2023 Financial Statements. (Proposed by the Board of Directors)

Explanation : The 2023 Audit Committee's Review Report is attached as pp. [33], Attachment 3.

Report No. 4 : To report the distribution of 2023 cash dividends. (Proposed by the Board of Directors)

Explanation : According to the company’s “Articles of Incorporation,” the board of directors is authorized to approve semiannual cash dividends after the end of each half fiscal year. The distribution of 2023 cash dividends is demonstrated in the table below:

Period	Date of the resolution by the board of director	Payment date	Cash Dividends Per Share (NTD)	Total Amount (NTD)
First half	Nov. 08, 2023	Feb. 02, 2024	4.5	558,364,185
Second half	Feb. 26, 2024	To be resolved	6.0	744,485,580
Total			10.5	1,302,849,765

Report No. 5 : To report 2023 Corporate governance report. (Proposed by the Board of Directors)

Explanation: The 2023 Corporate governance report is attached as pp. [34-35], Attachment 4.

Report No. 6 : To report the 2023 annual operation of Audit Committee and its communication with the company’s chief internal auditor. (Proposed by the Board of Directors)

Explanation: The 2023 annual operation report of Audit Committee and its communication with the company’s chief internal auditor is attached as pp. [36-40], Attachment 5.

Report No. 7 : To report the connection and reasonableness between the compensation policy of the directors and managerial officers and performance assessment results in 2023. (Proposed by the Board of Directors)

Explanation :

- (1) The company’s compensation procedures for directors and managerial officers are based on the “Rules for Performance Evaluation of Board of Directors and Functional Committees” and

“Employee appraisal guidelines.” In addition to referring to the company’s business performance, future risks, development strategies and industry trends, it also considers individual’s contribution made to the company and provides reasonable compensation. Director’s compensation policy and individual’s compensation is attached as pp. [41], Attachment 6.

- (2) According to the correlation analysis between the average compensation and performance assessment of the directors in the industry, it is shown that the company’s compensation level of directors is within a reasonable range. Therefore, the current director compensation policy will be maintained.
- (3) According to the analysis of the annual reports in the industry, the compensation for managerial officers is positively correlated with the overall performance contribution and future risks. The company will maintain this policy and provide reasonable rewards based on individual contributions to the company’s performance.

IV. Proposals

Proposal No. 1 : Adoption of the 2023 Business Report and Financial Statements.
(Proposed by the Board of Directors)

Explanation :

- (1) Acter Company’s Financial Statements, including the balance sheet, statement of comprehensive income, statement of change in equity, and statement of cash flows, were audited by independent auditors, Chen, Cheng-Hsueh CPA and Lu, Chien-Hui CPA of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board held on Feb. 26, 2024 and examined by the Audit Committee of Acter Company.

(2) The 2023 Business Report, independent auditors' report, and the above-mentioned Financial Statements are attached in the Meeting Agenda as, pp. [13-32], Attachment 1 and Attachment 2.

Resolution :

Proposal No. 2 : Adoption of the Proposal for Distribution of 2023 Profits.
(Proposed by the Board of Directors)

Explanation : Please refer to the 2023 Profit Distribution Table as follows.

ACTER GROUP CORPORATION LIMITED
PROFIT DISTRIBUTION TABLE
Year 2023

Unit : NTD

Beginning retained earnings	1,797,792,940
Add: Net profit after tax	1,838,103,585
Add: Remeasurements of defined benefit plans	3,391,300
Add: Disposal of investments in equity instruments designated at fair value through other comprehensive income	253,857
Less: 10% legal reserve	184,174,874
Add: Reversal of special reserve	82,355,854
Distributable net profit	3,537,722,662
Distributable items: (Note1)	
1H23 Cash Dividend to shareholders (4.5 per share)	558,364,185
2H23 Cash Dividend to shareholders (6.0 per share)	744,485,580
Unappropriated retained earnings	2,234,872,897

Note1: Pursuant to Article 27 of the Articles of Incorporation of the Company, it has been resolved by the board of directors and reported to this shareholder's meeting. Please refer to Report No. 4.

Note2: The total amount paid to each shareholder shall be in whole NT dollars and any fractional amount less than one NT dollar shall be rounded to the next NT dollar. The resulting difference shall be recognized by the company as other income or expense.

Note3: If the 2H23 cash dividend payout ratio is affected as a result of changes to the company's outstanding shares due to any reason before the distribution record date and needs to be revised, the chairman is fully authorized to handle such matter.

Resolution :

V. Discussion

Proposal No. 1 : Discussion on the proposal to amend “Articles of Incorporation.”
(Proposed by the Board of Directors)

Explanation : In order to conform to the amendments of related commercial laws, the company hereby proposes to amend “Articles of Incorporation.” Please refer to page 42 (Attachment 7) for details.

Resolution :

Proposal No. 2 : Discussion on the proposal to amend “Rules of Procedure for Shareholder Meetings.” (Proposed by the Board of Directors)

Explanation : In order to conform to the amendments of related commercial laws, the company hereby proposes to amend “Rules of Procedure for Shareholder Meetings.” Please refer to page 43-45 (Attachment 8) for details.

Resolution :

Proposal No. 3 : Discussion on the proposal to amend “Procedure for Acquisition or Disposal of Assets.” (Proposed by the Board of Directors)

Explanation : In order to conform to the needs of business development, the company hereby proposes to amend “Procedure for Acquisition or Disposal of Assets.” Please refer to page 46-54 (Attachment 9) for details.

Resolution :

VI. Elections

Proposal No. 1 : To elect 7 members of the 13th Board of Directors. (Including 4 independent directors) (Proposed by the Board of Directors)

Explanation :

- (1) The term of directors of the 12th Board will expire on 05/27/2024. According to the Article 16 and 16-2 of Articles of Incorporation and

Article 192-1 of Company Law, the company proposes to duly elect 7 new Board members by nomination. (including 4 independent directors) The three-year term will start from 05/24/2024 and conclude on 05/23/2027.

- (2) Please refer to page 55-58 (Attachment 10) for the list of nominated approved by the Board meeting.

Voting by Poll :

VII.Other Matters

Proposal No. 1 : To release the directors and their representatives from non-competition restrictions. (Proposed by the Board of Directors)

Explanation :

- (1) In accordance with Article 209 of Company Law, any director acting for himself/ herself, or for any other person within the scope of the Company business, should explain the important matters of such acts and acquire the approval of the shareholders' meeting.
- (2) It is hereby proposed to release the restriction on competitive activities for newly-elected directors and their representatives, who participate in the operations of other company that engages in the same or similar business as the Company. Please refer to page 59 (Attachment 11) for details.

Resolution :

VIII.Questions and Motions

IX.Adjournment

X. Attachments

Attachment 1: Business Report

ACTER GROUP CORPORATION LIMITED

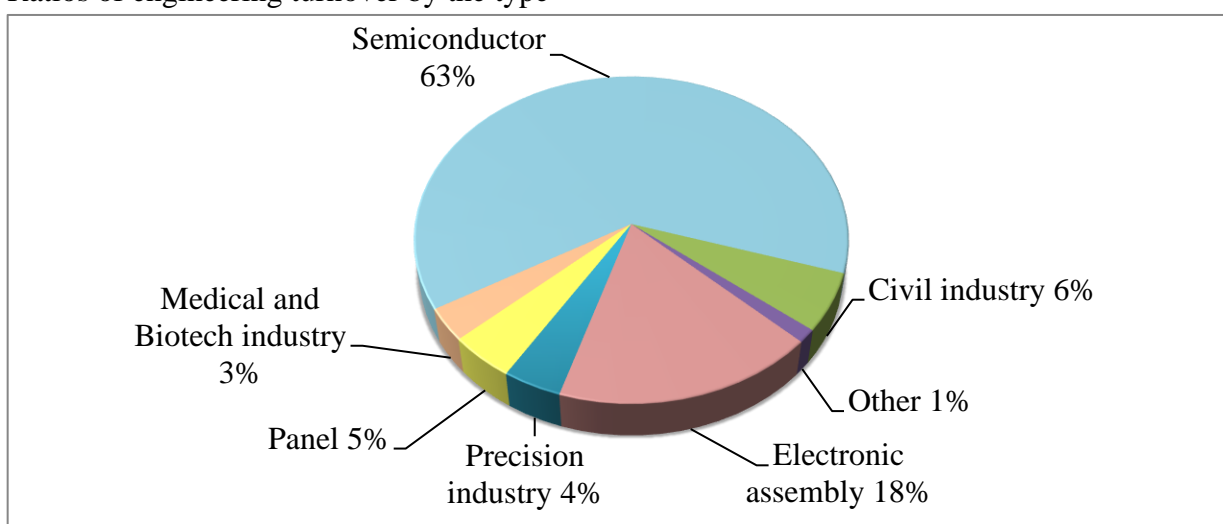
2023 Business Report

1. 2023 Business results

(1). Business plan implementation results

Acter group continues to optimize the efficiency of project, accurate control the material delivery schedule, modularize the production workflow, satisfy the project complete schedule of the diverse scale projects for the Cleanroom and Electro-Mechanical Integration Engineering from the main clients of diverse industries. In addition, the implementation of the semiconductor and high-tech electronic industries' localized production base strategy has created a favorable order visibility for the group, boosting overall revenue performance. Consolidated revenue of 2023 achieves NTD 25.06 billion, hitting the second-highest record for the same period in history. In terms of profitability, the net profit after tax amounted to NTD 1.84 billion, which represents a 5% decrease compared to last year.

Ratios of engineering turnover by the type



Unit : In thousands of New Taiwan Dollars

Items	2023	2022	%
Operating revenue	25,060,741	28,262,385	(11.33)
Operating cost	20,142,993	23,484,234	(14.23)
Gross profit	4,917,748	4,778,151	2.92
Operating expenses	1,653,927	1,455,622	13.62
Operating income	3,263,821	3,322,529	(1.77)
Non-Operating income and expenses	252,180	97,417	158.87
Income before income taxes	3,516,001	3,419,946	2.81
Tax expense	916,428	920,610	(0.45)
Income after income taxes	2,599,573	2,499,336	4.01
Income after income taxes - attributable to owners of parent	1,838,104	1,933,122	(4.92)

(2). State of budget implementation

This item is not applicable since Acter has not disclosed any financial forecasts.

(3).Financial structure and profitability

Items		2023	
Financial structure	Ratio of liabilities to assets (%)	52.56	
	Ratio of long-term capital to fixed assets (%)	1,868.67	
Solvency	Current ratio (%)	185.77	
	Quick ratio (%)	125.92	
Profitability	Return on total assets (%)	9.60	
	Return on stockholders' equity (%)	21.76	
	Ratio to issued capital (%, Note1)	Operating income	37.03
		Pre-tax income	39.90
	Profit ratio (%)	10.37	
Earnings per share (\$, Note2)	15.03		

Note1: In the case of shares issued by a company with no par value or a par value other than NT\$10 per share, the calculation of ratio of the paid-in capital shall be replaced by ratio of the equity attributable to owners of the parent.

Note2: The company's par value per share is NT\$5.

(4).Research and development

The department in charge of technology, research, and development continued to develop different innovative techniques for different industries and projects taking advantage of value-added engineering in order to strengthen our competitive advantages and innovative project management effectiveness. Descriptions are provided as follows:

I. Technology patent development

The group keeps acquiring patents; most of them relating to construction methods, applications and new materials, and software programming of a chemical equipment supply system. Analyze industry and technology trends in order to find R&D items that can facilitate corporate or industrial development and have market value. Make a strategic deployment to continuously obtain patents for engineering core technologies.

II. Talent cultivation and academia-industry cooperation

The company has comprehensive on-the-job training programs in place to help employees develop skills required, and works with scholars to explore new innovations. The company establish a long-term industry-academia partnership with Taipei Tech, NYUST, NKUST, NCUT and FCU for joint developments, and has achieved outstanding results in talent cultivation and academia-industry cooperation.

III. Energy-saving technologies

In light of rising global emphasis on energy-saving, green and low-carbon lifestyles, the group continues to conduct research into and develop environmental protection related engineering technology and products, develop high-efficiency eco-friendly facilities and energy management technologies, enhance the energy efficiency of energy consumption products, facilitate its integration with intelligent system, and optimize the control, optimize the application of energy-saving technology with our know-how in the field, and build a production environment with more efficient technologies to assist the industry in transformation to net zero emissions.

IV. Continued Developments in Respective Engineering Aspects

i. In utilization of the technical capability of established Building Information Modeling (BIM) - Revit of Company, take one step further into the Digital Twin application technology for air conditioning system which applies the digital computing and simulation technology in design and construction process so that the design efficiency, optimization design, construction efficiency and efficiency optimization of system energy is improved; the system balance and performance validation is assisted during

the completion acceptance process so that the acceptance efficiency is improved; in the operation phase, the BIM, energy model, environmental control model, and monitoring system of physical and digital systems is integrated to perform the system operation management, system predictive maintenance diagnosis, faults diagnosis, operation optimization analysis, and artificial intelligence mechanical learning so that the risk of unanticipated faults is reduced, the operating costs is decreased, and the system energy efficiency is improved.

- ii. To solve the time-consuming and complicated modeling and calculation issues of air conditioning design engineers in the design stage, the Building Information Modeling (BIM) of Revit and energy simulation technology is integrated and utilized by external computer programs so that the system design calculation report will be produced automatically through the automation database connection mechanism between the system design data, which not only can assist the air conditioning design engineers to complete air conditioning design volume calculations efficiently but also perform the value engineering analysis such as energy efficiency and cost optimization calculations.
- iii. The adoption of illuminance simulation software-aided lighting design ensures that the number of installed lighting fixtures matches actual needs, while achieving the goal of minimal deviations and reduced energy consumption.
- iv. Construction automation: The adoption of steel reinforcement cages enhances structural accuracy as well as construction quality and shortens construction period. Establish the same-layer drainage technology.
- v. Import the 3D drawing and cooperate with the 3D online platform to improve the quality and efficiency of the project, reduce the correction and adjustment time required for the follow-up pipeline overlay conflicts, and import the ISOGEN software to save time costs, establish the pipeline ISO diagram, so that the pipeline can be factory preset to reduce waste and reduce carbon emissions.

2. Summary of business plan for 2024

(1).Business strategy

This year, Acter has set up its growth goals for various divisions and subsidiaries and implemented action plans for each unit. It also implemented the following business policies:

- I. Strengthen corporate governance, enhance enterprise culture and sustainable development
- II. Rooting deeply in this industry, continuously optimize engineering capabilities, provide a diverse, multi-project integrated engineering service, and strive to use core skills to help companies achieve carbon neutrality, pursue a better future
- III. Maintain constant contact with current customers from mainland China and Southeast Asia, develop new customers, create multi-regional business, improve investment efficiency, and expand industrial integration
- IV. Cooperate with international partners and continuously expand the scope of its professional service in biological, pharmaceutical, medical industries and desalination, and deepening of the professional technical capabilities such as green energy and environmental protection.
- V. Combine the professional manufacturing processes of gas and chemical supply systems in the treatment of liquid waste and solvent waste to create a new generation engineering integration technology and Earth-friendly technology
- VI. Recruiting more diverse talents and actively training management teams

(2).Expected sales volume and basis for estimates

Acter is a professional manufacturer that applies system integration. For over 40 years, it has provided services which cover cleanrooms, air conditioning, electrical machinery, chemical engineering as well as control and instrument, equipment installation, etc., with the support of its strong and reliable multi-disciplinary and elite engineering team. Aside from its strength and advantage, Acter aims to keep pace with the request of customers. It caters to the needs of clients through constant communication and by establishing brand value and competitive advantage via innovative technology and high quality services.

In addition to serving its existing customers, Acter is aggressively expanding its domestic and overseas markets by identifying new industries and new customers, satisfying the demand for a cross-disciplinary project service with integration system, and expanding industrial integration. As for internal operations, managing the company's integral resources is vital in providing the best and efficient solutions for customers.

(3).Major production and sales policies

Acter provides rapid and flexible integration of services specializing in engineering and technology. It is a comprehensive turnkey service company that handles design and planning, construction, engineering supervision, maintenance after completion and transfer. Acter services offer vertical and horizontal integration and sustainable intensification of industry value-chain across various technologies that impact people's livelihood, biotechnology, green energy and the medical field as well as the photovoltaic industry, semiconductor industry, biotechnology industry, energy industry, energy engineering, railway stations, high-end housing, hotels, electromechanical solutions for air conditioning systems, biopharmaceutical, medical institutes, etc.

With respect to its manufacturing-retail policy, while considering the needs of its customers, the company shall maintain existing clients, acquire new ones, and enter new industries in order to maintain business volume and achieve stable growth and profit. With regard to engineering, the company shall continuously improve and manage all kinds of projects and energy-saving and green eco-friendly economical engineering in order to create value and provide comprehensive solutions for its customers. As for financial considerations, it shall apply proper financial risk control strategies in handling customers and accelerate the collection rate of accounts receivable.

3. Future development strategies

The company is deeply committed to every project which represents and embodies Acter. It has been a long time since the company focused on the improvement and development of engineering technology. Currently, it has become a diversified engineering technology company through vertical and horizontal integration and continuous development. The content of service and professional engineering method were improved to keep pace with progress. It has continued to expand its service stations given the increasing demand of customers. In order to approach its customers and provide real-time service, Acter service stations are situated all over Taiwan, Mainland China and Southeast Asia.

Engineering system integration service is the core business of Acter. Therefore, when facing the challenges by climate change and industrial transformation, Acter will dedicate to the research and development of innovative green technology. Not only provides customers energy-saving and green eco-friendly economical engineering solutions from the technology end, but also integrates our professional skills, knowledge and experiences to, through cooperation with our subcontractors, build "high value, low power consumption and low pollution" quality spaces. We commit more effort to bring customers more general ideas of green sustainability and responsible

services. In the global promotion of ESG and carbon neutrality, with the role of the driver of green project, Acter assists customers to achieve carbon neutrality and pursue a better future together.

4. Effect of the external competitive environment, legal and regulatory environment, and overall business environment

Large-scale construction suppliers offered turnkey solutions that enabled them to gain control of the electricity and machine engineering market, which led to greater competition in the electricity, machine and cleanroom engineering industry. Acter creates value engineering for customers through various contracting opportunities, utilizing its expertise, innovative technologies, and specialized methods to effectively reduce the equipment life cycle costs for customers. In addition, it reduces overhead expense and engineering construction risks. It also forms a stable and cooperative relationship with suppliers, manages quality, strengthens cost control to enhance competitive advantage in bidding. Meanwhile, it develops related business of energy-saving which will not only provide better services for its customers but also contribute to the overall industry environment.

As far as the regulatory environment is concerned, the company periodically reviews changes made to laws and regulations to ensure compliance with requirements of the competent authority and adheres to its belief of legitimate management. Generally speaking, changes to the regulatory environment will not have a major impact on the company.

In the macro business environment, the SEMI predicts that the market will regain growth by 2024. In addition, the trend of advanced packaging continues. The visibility into future factory constructions is high. Many existing factories currently lag behind international standards. In the future, there will be a shift towards high value, low energy consumption, and low pollution models, creating opportunities for re-layout. Besides, as demonstrated in the 28th Conference of Parties (COP28) of the United Nations Framework Convention on Climate Change, achieving net-zero emissions is imminent. Leveraging its expertise in green engineering, Acter aims to provide clients with a broader range of services aligned with green sustainability principles. Those trends are beneficial to Acter's performance.

5. Sustainability

Oriented to “implementing the ESG spirit and developing green business”, Acter is absorbed in the core business and industrial innovation. By linking United Nation's Sustainable Development Goals (SDGs), and our core competence, Acter has not only established a responsible supply chain and built a diverse and tolerant workplace, but also been promoting green low-carbon engineering, cultivating industrial talents, attentive to the disadvantaged minority. It is our aspiration to create shared value for the society and win more reputation points with an excellent and sustainable corporate governance approach.

In the future, we will continue to work hard on sustainable development and cooperate with our partners and stakeholders to make the greatest contribution to the bring a positive development to the environment, society and economy.

It deeply appreciates the support of shareholders. Acter hopes to create greater value for the entire organization and its shareholders.

Sincerely yours,

Chairman: Liang, Chin-Li

General Manager: Lai, Ming-Kun & Wang, Chun-Sheng

Accounting Supervisor : Chen, Chung-Sheng

Attachment 2:2023 Independent Auditors' Report and Financial Statements

Independent Auditors' Report

The Board of Directors
Acter Group Corporation Limited:

Opinion

We have audited the accompanying parent company only financial statements of Acter Group Corporation Limited (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policies information.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Construction revenue recognition

Please refer to Note 4(n) "Revenue", Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty: Construction revenue recognition", and Notes 6(q) "Revenue from contracts with customers" to the financial statements.

Description of key audit matter

The Company assesses its construction revenue by measuring the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs; the estimated total contract cost involves judgment and estimation uncertainty of the Company's management. Consequently, revenue recognition is one of the key matters for our audit.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Company's internal control of sales and receipt cycle to assess whether there is any defects and irregularities of internal control systems. Reviewing major contracts to understand the specific terms and risks of the contracts; comparing the actual construction costs incurred with the estimated construction costs to evaluate rationality of the estimation method; assessing whether the Company's accounting policy on revenue recognition is in accordance with the related accounting standards.

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

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

1. Identify and assess the risks of material misstatement of the 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the 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 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 for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Hsueh Chen and Chien-Hui Lu.

KPMG

Taipei, Taiwan (Republic of China)

February 26, 2024

Notes to Readers

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

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

ACTER GROUP CO., LTD.

Balance Sheets

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6(a))	\$ 2,770,269	20	802,106	6	2130	Current contract liabilities (Note 6(q))	1,682,024	12	853,337	6
1110	Current financial assets at fair value through profit or loss (Note 6(b))	53,675	-	389,552	3	2150	Notes payable	2,898	-	6,707	-
1140	Current contract assets (Note 6(q))	1,030,629	7	2,171,731	16	2170	Accounts payable	1,616,000	11	2,853,511	21
1150	Notes receivable, net (Note 6(d))	80,901	1	48,830	-	2180	Accounts payable to related parties (Note 7)	115,354	1	69,251	1
1170	Accounts receivable, net (Note 6(d))	2,123,132	15	3,318,739	25	2201	Accrued salaries and bonuses	229,967	2	238,881	2
1200	Other receivables (Note 6(e))	6,864	-	13,218	-	2216	Dividends payable	558,364	4	402,696	3
1210	Other receivables from related parties (Notes 6(e) and 7)	178,343	1	107,156	1	2230	Current tax liabilities	99,458	1	187,132	1
1476	Other current financial assets (Note 8)	68,017	1	19,428	-	2250	Current provisions (Note 6(l))	48,749	-	30,802	-
1479	Other current assets	201,406	1	287,869	2	2280	Current lease liabilities (Note 6(k))	15,126	-	13,295	-
		<u>6,513,236</u>	<u>46</u>	<u>7,158,629</u>	<u>53</u>	2321	Bonds payable due within one year (Note 6(j))	-	-	546,019	4
Non-current assets:						2399	Other accrued expenses and current liabilities	<u>309,502</u>	<u>2</u>	<u>255,493</u>	<u>2</u>
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	753,124	6	319,607	2			<u>4,677,442</u>	<u>33</u>	<u>5,457,124</u>	<u>40</u>
1550	Investments accounted for using equity method (Note 6(f))	6,382,449	45	5,698,328	42	Non-Current liabilities:					
1600	Property, plant and equipment (Note 6(g))	95,415	1	97,917	1	2570	Deferred tax liabilities (Note 6(n))	542,590	4	505,677	4
1755	Right-of-use assets (Note 6(h))	38,594	-	44,112	-	2580	Lease liabilities-non-current (Note 6(k))	23,954	-	31,289	-
1760	Investment property, net (Note 6(i))	231,016	2	233,306	2	2640	Defined benefit liabilities, net (Note 6(m))	15,519	-	17,452	-
1840	Deferred tax assets (Note 6(n))	43,345	-	32,594	-	2645	Guarantee deposits	152	-	152	-
1990	Other non-current assets	14,325	-	11,933	-			<u>582,215</u>	<u>4</u>	<u>554,570</u>	<u>4</u>
		<u>7,558,268</u>	<u>54</u>	<u>6,437,797</u>	<u>47</u>		Total liabilities	<u>5,259,657</u>	<u>37</u>	<u>6,011,694</u>	<u>44</u>
Total assets		<u>\$ 14,071,504</u>	<u>100</u>	<u>13,596,426</u>	<u>100</u>	Equity attributable to owners of parent (Note 6 (o)):					
						3100	Ordinary shares	620,405	5	574,673	4
						3140	Advance receipts for share capital	-	-	11,721	-
						3200	Capital surplus	3,707,948	26	3,055,511	23
						3300	Retained earnings	4,314,371	31	4,043,975	30
						3490	Other equity interest	169,123	1	(101,148)	(1)
							Total equity	<u>8,811,847</u>	<u>63</u>	<u>7,584,732</u>	<u>56</u>
							Total liabilities and equity	<u>\$ 14,071,504</u>	<u>100</u>	<u>13,596,426</u>	<u>100</u>

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

ACTER GROUP CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

	2023		2022	
	Amount	%	Amount	%
Operating revenues: (Notes 6(q) and 7)				
4521 Construction revenue	\$ 6,072,801	100	11,411,813	100
4529 Allowances	(3,842)	-	(7,321)	-
	<u>6,068,959</u>	100	<u>11,404,492</u>	100
Operating costs:				
5520 Construction cost (Notes 6(m), (r) and 7)	<u>4,889,572</u>	81	<u>9,931,452</u>	87
Gross profit	<u>1,179,387</u>	19	<u>1,473,040</u>	13
Operating expenses: (Notes 6(m) and (r))				
6100 Selling expenses	31,011	-	29,916	-
6200 General and administrative expenses	296,621	5	275,685	3
6450 Expected credit gain (Note 6(d))	(3,797)	-	(4,337)	-
	<u>323,835</u>	5	<u>301,264</u>	3
Operating income	<u>855,552</u>	14	<u>1,171,776</u>	10
Non-operating income and expenses: (Note 6(s))				
7050 Finance costs	(2,217)	-	(11,420)	-
7100 Interest revenue	29,986	-	2,689	-
7010 Other income and expenses	57,846	1	44,133	-
7070 Share of gain of associates accounted for using equity method	1,167,845	19	1,091,584	10
7020 Other gains and losses	31,016	1	(23,156)	-
	<u>1,284,476</u>	21	<u>1,103,830</u>	10
Income before income tax	<u>2,140,028</u>	35	<u>2,275,606</u>	20
7950 Income tax expense (Note 6(n))	<u>301,924</u>	5	<u>342,484</u>	3
Profit for the year	<u>1,838,104</u>	30	<u>1,933,122</u>	17
8300 Other comprehensive income (loss):				
8310 Items that will not be reclassified subsequently to profit or loss				
8311 Remeasurement of defined benefit plan (Note 6(m))	1,027	-	1,956	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	287,415	5	83,763	1
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, that will not be reclassified to profit or loss	2,364	-	3,251	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<u>290,806</u>	5	<u>88,970</u>	1
8360 Items that will be reclassified subsequently to profit or loss				
8361 Exchange differences on translation of foreign operations	(62,608)	(1)	88,892	1
8367 Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	33,196	1	(84,639)	(1)
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(n))	12,521	-	(17,779)	-
	<u>(16,891)</u>	-	<u>(13,526)</u>	-
8300 Other comprehensive income, net of tax	<u>273,915</u>	5	<u>75,444</u>	1
8500 Total comprehensive income	<u>\$ 2,112,019</u>	<u>35</u>	<u>2,008,566</u>	<u>18</u>
Earnings per share (attributable to shareholders of the parent) (Note 6(p))				
9750 Basic earnings per share (In new Taiwan dollars)	<u>\$ 15.03</u>		<u>16.84</u>	
9850 Diluted earnings per share (In new Taiwan dollars)	<u>\$ 14.58</u>		<u>15.48</u>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese.)
ACTER GROUP CO., LTD.

Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

	Retained earnings						Other equity				Total equity
	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total Other equity interest	
Balance, January 1, 2022	\$ 571,868	54	1,866,632	818,400	139,461	2,409,510	3,367,371	(163,214)	(8,171)	(171,385)	5,634,540
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	-	119,812	-	(119,812)	-	-	-	-	-
Special reserve	-	-	-	-	31,924	(31,924)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,261,725)	(1,261,725)	-	-	-	(1,261,725)
Profit for the year ended December 31, 2022	-	-	-	-	-	1,933,122	1,933,122	-	-	-	1,933,122
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	5,207	5,207	71,113	(876)	70,237	75,444
Total comprehensive income	-	-	-	-	-	1,938,329	1,938,329	71,113	(876)	70,237	2,008,566
Convertible corporate bonds	2,805	11,667	228,638	-	-	-	-	-	-	-	243,110
Changes in ownership interests in subsidiaries	-	-	960,241	-	-	-	-	-	-	-	960,241
Balance, December 31, 2022	\$ 574,673	11,721	3,055,511	938,212	171,385	2,934,378	4,043,975	(92,101)	(9,047)	(101,148)	7,584,732
Balance, January 1, 2023	\$ 574,673	11,721	3,055,511	938,212	171,385	2,934,378	4,043,975	(92,101)	(9,047)	(101,148)	7,584,732
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	-	292,529	-	(292,529)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,571,352)	(1,571,352)	-	-	-	(1,571,352)
Reversal of special reserve	-	-	-	-	(152,133)	152,133	-	-	-	-	-
Profit for the year ended December 31, 2023	-	-	-	-	-	1,838,104	1,838,104	-	-	-	1,838,104
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	3,391	3,391	(50,087)	320,611	270,524	273,915
Total comprehensive income	-	-	-	-	-	1,841,495	1,841,495	(50,087)	320,611	270,524	2,112,019
Convertible corporate bonds	45,732	(11,721)	513,709	-	-	-	-	-	-	-	547,720
Changes in ownership interests in subsidiaries	-	-	138,712	-	-	-	-	-	-	-	138,712
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	253	253	-	(253)	(253)	-
Exercise the right of disgorgement	-	-	16	-	-	-	-	-	-	-	16
Balance, December 31, 2023	\$ 620,405	-	3,707,948	1,230,741	19,252	3,064,378	4,314,371	(142,188)	311,311	169,123	8,811,847

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

ACTER GROUP CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Profit before tax	\$ 2,140,028	2,275,606
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation (Including investment property)	21,210	18,667
Amortization	5,494	6,118
Excepted credit impairment reversal	(3,797)	(4,337)
Gain on financial liabilities at fair value through profit or loss, net	(45,724)	(55)
Interest expense	2,217	11,420
Interest income	(29,986)	(2,689)
Dividend income	(24,736)	(19,258)
Shares of profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,167,845)	(1,091,584)
Loss on disposal of property, plant and equipment	2	-
Loss on disposal of investment property	14	-
Lease modification benefits and others	(8)	(2)
Total adjustments to reconcile loss	<u>(1,243,159)</u>	<u>(1,081,720)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in current financial assets at fair value through profit or loss	381,601	(26,029)
Decrease (increase) in current contract assets	1,141,102	(636,906)
(Increase) decrease in notes receivable	(32,071)	153,879
Decrease (increase) in accounts receivable	1,199,404	(1,975,423)
Increase in other operating assets	(20,292)	(148,612)
Total changes in operating assets	<u>2,669,744</u>	<u>(2,633,091)</u>
Changes in operating liabilities:		
Increase in current contract liabilities	828,687	639,298
(Decrease) increase in notes payable	(3,809)	5,991
(Decrease) increase in accounts payable (Including related parties)	(1,191,408)	980,969
Increase in provisions	17,947	4,233
Increase in other current liabilities	44,186	168,708
Total changes in operating liabilities	<u>(304,397)</u>	<u>1,799,199</u>
Total adjustments	<u>1,122,188</u>	<u>(1,915,612)</u>
Cash inflow generated from operations	3,262,216	359,994
Interest received	23,319	3,566
Interest paid	(410)	(1,818)
Income taxes paid	(350,915)	(168,326)
Net cash flows from operating activities	<u>2,934,210</u>	<u>193,416</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(242,973)	(106,623)
Disposal of financial assets at fair value through other comprehensive income	709	-
Acquisition of investments accounted for using equity method	(33,000)	-
Acquisition of property, plant and equipment	(1,316)	(5,169)
Increase (decrease) in guarantee deposits paid	128	(2,120)
Acquisition of intangible assets	(6,272)	(5,448)
Acquisition of investment property	(229)	-
(Increase) decrease in other non-current assets	(1,742)	300
Dividends received	749,286	536,950
Net cash flows from investing activities	<u>464,591</u>	<u>417,890</u>
Cash flows from financing activities:		
Increase in short-term loans	-	1,179,000
Repayments of short-term loans	-	(1,179,000)
Redemption price of bonds	(100)	-
Exercise the right of disgorgement	16	-
Payment of lease liabilities	(14,870)	(13,104)
Cash dividends paid	(1,415,684)	(859,029)
Net cash flows from financing activities	<u>(1,430,638)</u>	<u>(872,133)</u>
Net increase (decrease) in cash and cash equivalents	1,968,163	(260,827)
Cash and cash equivalents at beginning of period	802,106	1,062,933
Cash and cash equivalents at end of period	<u>\$ 2,770,269</u>	<u>802,106</u>

Representation Letter

The entities that are required to be included in the combined financial statements of Acter Group Corporation Limited as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements are included in the consolidated financial statements. Consequently, Acter Group Corporation Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Acter Group Corporation Limited

Chairman: Liang, Chin-Li

Date: February 26, 2024

Independent Auditors' Report

To the Board of Directors of Acter Group Corporation Limited:

Opinion

We have audited the consolidated financial statements of Acter Group Corporation Limited (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Construction revenue recognition

Please refer to Note 4(p) “Revenue”, Note 5 “Significant accounting assumptions and judgments, and major sources of estimation uncertainty: Construction revenue recognition”, and Notes 6(v) “Revenue from contracts with customers” to the consolidated financial statements.

Description of key audit matter

The Group assesses its construction revenue by measuring the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs; the estimated total contract cost involves judgment and estimation uncertainty of the Group's management. Consequently, construction revenue recognition is one of the key matters for our audit.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Group's internal control of sales and receipt cycle to assess whether there is any defects and irregularities of internal control systems; reviewing major contracts to understand the specific terms and risks of contracts; comparing the actual construction costs incurred with the estimated construction costs to evaluate rationality of the estimation method; assessing whether the Group's accounting policy on construction revenue recognition is in accordance with the related accounting standards.

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen, Cheng-Hsueh and Lu, Chien-Hui.

KPMG

Taipei, Taiwan (Republic of China)
February 26, 2024

Notes to Readers

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

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022			
	Amount	%	Amount	%		Amount	%	Amount	%		
Assets					Liabilities and Equity						
Current assets:					Current liabilities:						
1100	Cash and cash equivalents (note 6(a))	\$ 8,951,209	32	6,410,782	24	2100	Short-term borrowings (note 6(m))	\$ 540,595	2	350,228	1
1110	Current financial assets at fair value through profit or loss (note 6(b))	391,908	1	1,313,339	5	2130	Current contract liabilities (note 6(v))	3,465,368	13	3,576,899	13
1120	Current financial assets at fair value through other comprehensive income (note 6(c))	76,497	-	344,524	1	2150	Notes payable	145,089	1	177,916	1
1140	Current contract assets (note 6(v))	4,336,539	16	6,074,330	22	2170	Trade payables	6,189,104	22	7,377,360	27
1150	Notes receivable, net (note 6(d))	327,212	1	240,051	1	2180	Trade payables to related parties(note 7)	578	-	1,095	-
1170	Trade receivables, net (note 6(d))	6,268,797	23	8,136,175	30	2201	Accrued salaries and bonuses	732,701	3	699,427	2
1200	Other receivables (note 6(e))	23,284	-	39,444	-	2216	Dividends payable	659,571	2	452,016	2
1220	Current income tax assets	30,126	-	23,543	-	2230	Current income tax liabilities	514,331	2	429,581	2
1310	Inventories, net (note 6(f))	2,146,984	8	1,246,038	5	2250	Current provisions (note 6(p))	377,752	1	271,706	1
1410	Prepayments	1,003,844	4	758,975	3	2280	Current lease liabilities (note 6(o))	65,917	-	70,099	-
1476	Other current financial assets (note 8)	608,732	2	281,668	1	2321	Bonds payable, current portion (note 6(n))	-	-	546,019	2
1479	Other current assets	439,348	2	266,862	1	2399	Other current liabilities and accrued expenses (note 9)	553,518	2	545,040	2
		<u>24,604,480</u>	<u>89</u>	<u>25,135,731</u>	<u>93</u>			<u>13,244,524</u>	<u>48</u>	<u>14,497,386</u>	<u>53</u>
Non-current assets:					Non-Current liabilities:						
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	1,416,444	5	508,217	2	2500	Non-current financial liabilities at fair value through profit or loss (note 6(b))	-	-	1,840	-
1550	Investments accounted for using equity method (note 6(g))	45,089	-	23,063	-	2530	Bonds payable (note 6(n))	315,115	1	754,706	3
1600	Property, plant and equipment (note 6(i))	767,506	3	690,310	2	2570	Deferred tax liabilities (note 6(r))	812,835	3	885,669	4
1755	Right-of-use assets (note 6(j))	166,851	1	213,023	1	2580	Non-current lease liabilities (note 6(o))	77,300	-	118,052	-
1760	Investments property, net (note 6(k))	233,604	1	236,454	1	2640	Net defined benefit liability, non-current (note 6(q))	51,945	-	60,043	-
1780	Intangible assets (note 6(l))	75,297	-	91,846	-	2645	Guarantee deposits received	152	-	152	-
1840	Deferred tax assets (note 6(r))	223,014	1	177,758	1			<u>1,257,347</u>	<u>4</u>	<u>1,820,462</u>	<u>7</u>
1990	Other non-current assets	54,407	-	40,121	-			<u>14,501,871</u>	<u>52</u>	<u>16,317,848</u>	<u>60</u>
		<u>2,982,212</u>	<u>11</u>	<u>1,980,792</u>	<u>7</u>						
		<u>27,586,692</u>	<u>100</u>	<u>27,116,523</u>	<u>100</u>						
Total assets					Total liabilities and Equity						
		<u>\$ 27,586,692</u>	<u>100</u>	<u>27,116,523</u>	<u>100</u>			<u>\$ 27,586,692</u>	<u>100</u>	<u>27,116,523</u>	<u>100</u>

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

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
Operating Revenues (note 6(v)):					
4521	Construction revenue	\$ 24,603,937	98	27,291,759	96
4529	Less: allowances	(9,107)	-	(41,764)	-
		24,594,830	98	27,249,995	96
4110	Sales and other	465,911	2	1,012,390	4
		25,060,741	100	28,262,385	100
Operating costs:					
5520	Construction cost (note 6(o), (q) and 7(b))	19,759,161	78	22,699,677	80
5110	Costs of goods sold (note 6(f))	383,832	2	784,557	3
		20,142,993	80	23,484,234	83
Gross profit from operations		4,917,748	20	4,778,151	17
Operating expenses (note 6(o) and (q)):					
6100	Selling expenses	280,114	1	201,017	1
6200	Administrative expenses	1,011,471	4	920,084	3
6300	Research and development expenses	370,516	2	334,495	1
6450	Expected credit (gain)loss	(8,174)	-	26	-
		1,653,927	7	1,455,622	5
Net operating income		3,263,821	13	3,322,529	12
Non-operating income and expenses (note 6 (x))					
7050	Finance costs	(34,170)	-	(33,135)	-
7100	Interest income	129,306	1	40,538	-
7010	Other income	126,701	-	78,459	-
	Share of profit of associates accounted for using equity method, net				
7070	(note 6(g))	21,620	-	1,032	-
7020	Other gains and losses, net	8,723	-	10,523	-
		252,180	1	97,417	-
Profit before income tax		3,516,001	14	3,419,946	12
7950	Less: Income tax expenses (note 6(r))	916,428	4	920,610	3
Profit		2,599,573	10	2,499,336	9
8300	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements effects on defined benefit plans (note 6(q))	5,627	-	6,117	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	345,974	2	86,381	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		351,601	2	92,498	-
8360	Items that will be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	(79,766)	-	96,908	-
8367	Unrealized losses from investments in debt instruments measured at fair value through other comprehensive income	33,196	-	(84,640)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(r))	18,982	-	(23,063)	-
		(27,588)	-	(10,795)	-
8300	Other comprehensive income, net of tax	324,013	2	81,703	-
8500	Total comprehensive income	\$ 2,923,586	12	2,581,039	9
Profit, attributable to:					
8610	Owners of parent	\$ 1,838,104	7	1,933,122	7
8620	Non-controlling interests	761,469	3	566,214	2
		\$ 2,599,573	10	2,499,336	9
Comprehensive income attributable to:					
8710	Owners of parent	\$ 2,112,019	9	2,008,566	7
8720	Non-controlling interests	811,567	3	572,473	2
		\$ 2,923,586	12	2,581,039	9
Earnings per share (Expressed in New Taiwan Dollars) (note 6(u))					
9750	Basic earnings per share	\$ 15.03		16.84	
9850	Diluted earnings per share	\$ 14.58		15.48	

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ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Retained earnings							Other equity				
	Ordinary shares	Advance receipts	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total Other equity	Non-controlling interests	Total equity
Balance at January 1, 2022	\$ 571,868	54	1,866,632	818,400	139,461	2,409,510	3,367,371	(163,214)	(8,171)	(171,385)	1,661,458	7,295,998
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	119,812	-	(119,812)	-	-	-	-	-	-
Special reserve	-	-	-	-	31,924	(31,924)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,261,725)	(1,261,725)	-	-	-	-	(1,261,725)
Profit for the year ended December 31,2022	-	-	-	-	-	1,933,122	1,933,122	-	-	-	566,214	2,499,336
Other comprehensive income for the year ended December 31,2022	-	-	-	-	-	5,207	5,207	71,113	(876)	70,237	6,259	81,703
Total comprehensive income	-	-	-	-	-	1,938,329	1,938,329	71,113	(876)	70,237	572,473	2,581,039
Conversion of convertible bonds	2,805	11,667	228,638	-	-	-	-	-	-	-	-	243,110
Changes in ownership interests in subsidiaries	-	-	960,241	-	-	-	-	-	-	-	-	960,241
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	980,012	980,012
Balance at December 31, 2022	\$ 574,673	11,721	3,055,511	938,212	171,385	2,934,378	4,043,975	(92,101)	(9,047)	(101,148)	3,213,943	10,798,675
Balance at January 1, 2023	\$ 574,673	11,721	3,055,511	938,212	171,385	2,934,378	4,043,975	(92,101)	(9,047)	(101,148)	3,213,943	10,798,675
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	292,529	-	(292,529)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(1,571,352)	(1,571,352)	-	-	-	-	(1,571,352)
Reversal of special reserve	-	-	-	-	(152,133)	152,133	-	-	-	-	-	-
Profit for the year ended December 31,2023	-	-	-	-	-	1,838,104	1,838,104	-	-	-	761,469	2,599,573
Other comprehensive income for the year ended December 31,2023	-	-	-	-	-	3,391	3,391	(50,087)	320,611	270,524	50,098	324,013
Total comprehensive income	-	-	-	-	-	1,841,495	1,841,495	(50,087)	320,611	270,524	811,567	2,923,586
Conversion of convertible bonds	45,732	(11,721)	513,709	-	-	-	-	-	-	-	-	547,720
Change in ownership interests in subsidiaries	-	-	138,712	-	-	-	-	-	-	-	-	138,712
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	253	253	-	(253)	(253)	-	-
Exercise the right of disgorgement	-	-	16	-	-	-	-	-	-	-	-	16
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	247,464	247,464
Balance at December 31, 2023	\$ 620,405	-	3,707,948	1,230,741	19,252	3,064,378	4,314,371	(142,188)	311,311	169,123	4,272,974	13,084,821

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

ACTER GROUP CORPORATION LIMITED AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 3,516,001	3,419,946
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses (including investment property)	135,300	107,236
Amortization expenses	38,738	36,604
Expected credit (gain) loss	(8,174)	26
Interest expense	34,170	33,135
Interest income	(129,306)	(40,538)
Dividend income	(42,784)	(31,370)
Shares of profit of associates accounted for using equity method	(21,620)	(1,032)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(59,324)	1,545
Loss from disposal of property, property plant, equipment	1,505	798
Loss on disposal of investment properties	14	-
Loss on disposal of intangible assets	1,421	-
Loss on remeasurements of investing	30,399	-
Lease modification benefits and others	(1,113)	198
Total adjustments to reconcile (profit) loss	<u>(20,774)</u>	<u>106,602</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in current financial assets at fair value through profit or loss	980,781	(566,325)
Decrease (increase) in current contract assets	1,737,791	(1,340,804)
(Increase) decrease in notes receivable	(87,729)	207,915
Decrease (increase) in trade receivables	1,878,803	(2,570,876)
Increase in inventories	(900,946)	(694,303)
Increase in other current assets	(720,950)	(106,078)
Total changes in operating assets	<u>2,887,750</u>	<u>(5,070,471)</u>
Changes in operating liabilities:		
(Decrease) increase in current contract liabilities	(111,531)	1,949,621
(Decrease) increase in notes payable	(32,827)	7,612
(Decrease) increase in trade payables (including related parties)	(1,188,773)	1,453,741
Increase in provisions	110,008	9,847
Increase in other current liabilities	47,980	432,520
Total changes in operating liabilities	<u>(1,175,143)</u>	<u>3,853,341</u>
Total adjustments	<u>1,691,833</u>	<u>(1,110,528)</u>
Cash inflow generated from operations	5,207,834	2,309,418
Interest received	121,997	40,538
Interest paid	(28,972)	(25,428)
Income taxes paid	(943,244)	(638,253)
Net cash flows from operating activities	<u>4,357,615</u>	<u>1,686,275</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(286,139)	(412,800)
Proceeds from disposal of financial assets at fair value through other comprehensive income	709	-
Acquisition of property, plant and equipment	(137,168)	(146,980)
Proceeds from disposal of property, plant and equipment	353	108
Acquisition of intangible assets	(23,912)	(21,387)
Acquisition of right-of-use assets	(589)	(393)
Acquisition of investment properties	(229)	-
(Increase) decrease in other non-current assets	(14,286)	12,713
Dividends received	42,784	31,370
Net cash flows used in investing activities	<u>(418,477)</u>	<u>(537,369)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,538,622	3,413,380
Decrease in short-term loans	(1,341,739)	(3,746,130)
Redeemed from convertible bonds	(100)	-
Exercise the right of disgorgement	16	-
Proceeds from issuing bonds	-	802,721
Decrease in guarantee deposits	-	(110)
Payment of lease liabilities	(77,134)	(60,936)
Cash dividends paid	(1,415,684)	(859,029)
Change in non-controlling interests	21,729	1,944,168
Net cash flows (used in) from financing activities	<u>(1,274,290)</u>	<u>1,494,064</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(124,421)</u>	<u>68,981</u>
Net increase in cash and cash equivalents	2,540,427	2,711,951
Cash and cash equivalents at beginning of period	6,410,782	3,698,831
Cash and cash equivalents at end of period	<u>\$ 8,951,209</u>	<u>6,410,782</u>

See accompanying notes to consolidated financial statements.

Attachment 3: Audit Committee's Review Report

ACTER GROUP CORPORATION LIMITED Audit Committee's Review Report

This company's 2023 financial statements have been approved by the Audit Committee and resolved by the board of directors. The foregoing financial statements have been audited by CPA of KPMG under commission to the board, and the auditor has issued an audit report relating to the financial statements.

This company's 2023 business report and earnings distribution proposal have been prepared and issued by the board of directors. The foregoing business report and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

2024 shareholders meeting of ACTER GROUP CORPORATION LIMITED

ACTER GROUP CORPORATION LIMITED

Chairman of the Audit Committee: Yeh, Hui-Hsin

February 26, 2024

Attachment 4: Corporate Governance Report

- I. The company has established a great corporate governance systems and effective corporate governance framework, and has deployed an adequate number of corporate governance personnel, appointed an officer of financial division as the chief corporate governance officer to be in charge of corporate governance affairs and designated Chairman and Board of Directors to be in charge of supervision.
- II. In 2023, in order to respond to the international trend of sustainable development, the competent authorities have gradually increased the demand for environmental, social and governance (ESG) information. The TWSE strengthens ESG information disclosure of listed companies with reference to international sustainability-related standards. A total of 29 indicators on seven major topics were disclosed in the initial stage, including emission of greenhouse gases, energy management, water resource management, waste management, manpower development, communication between the board of directors and investors, etc. In addition, in order to meet the net zero emissions by 2050 and encourage enterprises to reduce carbon, the FSC promotes the sustainable development roadmap for listed companies on March 3, 2022. Based on the company's par value per share of NT\$5, the company shall complete individual and consolidated greenhouse gas (GHG) inventories before 2025 and 2026, and complete individual and consolidated GHG verifications before 2027 and 2028. The summary of the key points, which was competent by authorities in 2023 and the implementation of the company are as follows. Other relevant corporate governance operations have been disclosed in the company's Annual Report.

Summary of the key points	Implementation
The corporate governance evaluation	The company was ranked on top 5% in the corporate governance evaluation for 8 consecutive years
Timetables for the greenhouse gas inventories and verification	Acter, Novatech, Acter Integration, Shenzhen Sheng Huei completed verification in May 2023.

- III. The company's corporate governance reports are as follows

Item	Reporting day to the board of directors	Responsible unit
Implementation of 2022 corporate governance	2023/2/24	Financial division
Implementation of ethical corporate management	2023/11/8	General manager
Report of climate change's risks, opportunities, actions and results	2023/11/8	General manager
Implementation of sustainable development	2023/11/8	General administration division
Intellectual property management plan	2023/11/8	General administration division

Item	Reporting day to the board of directors	Responsible unit
Implementation of risk management	2023/11/8	Auditing office
Communication mechanisms and implementation results for stakeholders	2023/11/8	Financial division, general administration division and procurement department

IV. Future Challenges

Item	Company Response
Align with the IFRS Sustainability Disclosure Standards blueprint, directly adopt IFRS Sustainability Standards S1 and S2, disclose in the annual report and announce simultaneously with financial statements.	In 2024, we will focus on the regulatory amendments to the disclosure requirements for annual reports by the regulatory authorities and participate in the explanatory meetings. We will conduct simulated tests on the revised items for the preparation of the 2025 annual report to assess whether the internal information flow and data collection efficiency of the company can meet the regulatory deadlines.
Institutional investors' activism legislation is planned by the Financial Supervisory Commission in 2024, with coordinated actions to be implemented. The Stock Exchange plans to revise its governance assessment criteria in 2025 to guide institutional investors who have signed governance codes to engage in appropriate collective engagement.	Continued focus and improvement on sustainable issues, allowing institutional investors to align with us in the sustainable trend, resulting in positive impact on company reputation and market value through quick consensus.

Attachment 5: Annual operation report of Audit Committee and its communication with the company's chief internal auditor

The Company's Audit Committee is composed of all independent directors. It holds regularly meetings before the board of directors to review the implementation of the company's internal control system and internal audit, major financial business behaviors, and appropriate communicate with CPAs to supervise company's operations and risk control.

1. Audit Committee's main responsibilities is to review the following matters:
 - (1) The adoption of or amendments to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) The procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
 - (4) Matters in which a director is an interested party.
 - (5) Asset transactions or derivatives trading of a material nature.
 - (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
 - (7) The offering, issuance, or private placement of equity-type securities.
 - (8) The hiring or dismissal of a certified public accountant, or their compensation.
 - (9) The appointment or discharge of a financial, accounting, or internal audit officer.
 - (10) Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
 - (11) Business report and proposal for earnings distribution or offsetting of deficit.
 - (12) Other material matters as may be required by the company or by the competent authority.
2. Audit Committee's work of 2023 :
 - (1) Review the financial reports.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) Review the endorsements or guarantees for others.
 - (4) Review the subscription of securities.
 - (5) Review the hiring of a certified public accountant and conduct assessments of CPA independence and competence based on a written statement issued by a CPA and AQIs.
 - (6) Review to establish the company's non-assurance services pre-approval policy.
 - (7) Review to approve the contract of the non-assurance services about "Sustainable Organization Reconstruction."
 - (8) Review the personnel reassignment.
 - (9) Review to approve the NTC to abandon the capital increase of Suzhou Winmax and instead be held by an employee shareholding platform
3. If any of the following circumstances exists, specify the Audit Committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of Audit Committee resolutions, and the measures taken by the company based on the opinions of the Audit Committee:
 - (1) Circumstances referred to in Article 14-5 of the Securities and Exchange Act.
 - (2) Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors.

Resolutions of the company are as follows.

Audit Committee Meetings	Major resolutions	Circumstances referred to in Article 14-5 of the Securities and Exchange Act	Resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors
Feb. 24, 2023	1. Approved to establish the company's non-assurance services pre-approval policy.	✓	None
	2. Resolved to approve the company's 2022 business report and financial statements.	✓	None
	3. Resolved to approve the company's 2022 statement of internal control system.	✓	None
	4. Resolved to approve the evaluation of qualification and independence of the Certified Public Accountants and to approve the amendment of the "Regulations governing the CPA's performance evaluation."	✓	None
	Independent director's dissenting or qualified opinion or significant recommendation: None.		
	Resolutions of the Audit Committee: Approved by all attending members without objection.		
	Measures taken by the company based on the opinions of the Audit Committee: None.		
May 10, 2023	1. Resolved to approve the retroactive recognition of the company's guarantees and endorsements.	✓	None
	2. Resolved to approve the contract of the non-assurance services about "Sustainable Organization Reconstruction."	✓	None
	Independent director's dissenting or qualified opinion or significant recommendation: None.		
	Resolutions of the Audit Committee: Approved by all attending members without objection.		
	Measures taken by the company based on the opinions of the Audit Committee: None.		
Nov. 08, 2023	1. Resolved to approve the personnel reassignment.	✓	None
	Independent director's dissenting or qualified opinion or significant recommendation: None.		
	Resolutions of the Audit Committee: Approved by all attending members without objection.		
	Measures taken by the company based on the opinions of the Audit Committee: None.		

4. There is no independent directors' avoidance of motions in conflict of interest in 2023.
5. There are no major transactions with related parties not belonging to the group in 2023.
6. Communications between the independent directors, the Company's chief internal auditor and CPAs
CPAs and internal auditors report to the independent directors the results of the annual, quarterly, or semi-annual audited (reviewed) financial statements, or the functioning of internal controls through the Audit Committee meetings. In the meetings, independent directors are given sufficient opportunities to communicate with the CPAs and internal auditors face to face, which provides independent directors with sufficient overview of the company's operations and helps them to supervise appropriately. In addition to holding Audit Committee meetings quarterly, the independent directors also maintain regular e-mail contact with the CPAs and internal auditors in order to stay informed of the company's operations. The company holds a Closed-door meeting between the chief internal auditor and the independent directors at least once a year. Results of communication between the independent directors, the internal auditors and the CPAs in 2023 are listed in the table below and have been revealed on the company's website.

(1) Communications between the independent directors and the internal auditors

Date	Communication matters	Execution results
Jan. 13, 2023 Closed-door Meeting	<ul style="list-style-type: none"> ■ Audit implementation and tracking status in the fourth quarter of 2022 ■ 2022 self-assessment of the internal control system ■ 2023 Annual work plan 	<ul style="list-style-type: none"> ■ No comments
Feb. 24, 2023 Audit committee meeting	<ul style="list-style-type: none"> ■ Internal audit activities report (2022/10~2022/12) ■ 2022 Statement of the internal control system 	<ul style="list-style-type: none"> ■ No comments ■ Submit to the board of directors after approval
May 10, 2023 Audit committee meeting	<ul style="list-style-type: none"> ■ Internal audit activities report (2023/01~2023/03) 	<ul style="list-style-type: none"> ■ No comments
Aug. 10, 2023 Audit committee meeting	<ul style="list-style-type: none"> ■ Internal audit activities report (2023/04~2023/06) 	<ul style="list-style-type: none"> ■ No comments
Nov. 08, 2023 Audit committee meeting	<ul style="list-style-type: none"> ■ Internal audit activities report (2023/07~2023/09) ■ 2023 Risk management reports ■ 2024 Annual audit plans ■ To amend the company's "Subsidiary Management Policy." 	<ul style="list-style-type: none"> ■ No comments ■ Submit to the board of directors after approval
Feb. 01, 2023 Communication via e-mail or phone call	<p>■ Are there any ways to completely resolve the issues occurring in the subsidiary, including discrepancies in income and expenditure control and flaws in procurement documentation? If the regulations are too strict, should they be relaxed? If there are gaps in execution, how can management be strengthened? For company operations, having a deficiency is relative to having risk. Finding the optimal balance between regulations and implementation is a creative opportunity for us and could also be one of the good ways to assist company growth.</p>	<p>■ In terms of internal control and management systems, the group is generally consistent. Regarding income and expense management, each company submits a monthly Income and Expense Statistics form to the headquarters for approval, which is then reviewed by the CEO. The report has addressed measures for abnormal reasons (such as differences in income and expenses exceeding 10%) and filled in projected invoice amounts and payment expenditures for the next three months. If there are any additional instructions from the CEO after review, each department will provide a response. Flaws in procurement documentation are minor oversights identified during the procurement process (most documents adhere to the established system), and it will be strictly required that the subsidiary company effectively implements execution according</p>

Date	Communication matters	Execution results
		to the internal control system.
Nov. 02, 2023 Communication via e-mail or phone call	<ul style="list-style-type: none"> ■ Based on the investigation of old data, it was found that a risk assessment standard form was issued by the company in October 2022. The structures of the two forms are similar, with only some adjustments made to the internal evaluation parameters. May I know if the adjustment values in this new report were derived from a general survey, expert consultation, or self-study by the department? Will this risk report be included in the future sustainability report? 	<ul style="list-style-type: none"> ■ The risk assessment standard form covers the overall business operations of the company, so the framework is generally consistent. However, it is adjusted annually based on the past two years' incidents and potential risks associated with operational activities of the group. This assessment standard is developed by the audit unit and presented to the management for review and confirmation. The risk assessment standard form is used as the basis for developing the annual audit plan and serves to incorporate risk events into audit work that requires enhanced monitoring or attention, thus it will not be included in the sustainability report. The main focus of the sustainability report is on risk management operations, including risk management processes, organizational structure and responsibilities, risk identification, and response strategies (such as market, credit, cybersecurity, legal, climate change risks), which are similar to the report on risk management to be presented to the board of directors.

(2) Communications between the independent directors and the CPAs

Date	Communication matters	Execution results
Jan. 13, 2023 Closed-door Meeting	<ul style="list-style-type: none"> ■ Closed door meeting between the CPAs and the independent directors 	No comments
Jan. 13, 2023 KAM Meeting	<ul style="list-style-type: none"> ■ 2022 Key Audit Matters of the financial report 	No comments
Feb. 24, 2023 Audit Committee Meeting	<ul style="list-style-type: none"> ■ Consolidated financial reports of 2022 	No comments
May 10, 2023 Audit Committee Meeting	<ul style="list-style-type: none"> ■ Consolidated financial statements for three months ended March 31, 2023 	No comments
Aug. 10, 2023 Audit Committee Meeting	<ul style="list-style-type: none"> ■ Consolidated financial statements for six months ended June 30, 2023 	No comments

Date	Communication matters	Execution results
Nov. 08, 2023 Audit Committee Meeting	■ Consolidated financial statements for nine months ended September 30, 2023	No comments

7. Audit Committee's attendance in 2023

A total of 5 Audit Committee meetings were held in 2023 and all independent directors attended in person as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate	Remarks
Independent Director	Yeh, Hui-Hsin	5	0	100%	Was appointed on Jul. 23, 2021
Independent Director	Yang, Qian	5	0	100%	Was appointed on Jul. 23, 2021
Independent Director	Wang, Mao-Rong	5	0	100%	Was appointed on Jul. 23, 2021
Independent Director	Huang, Tzu-Pei	5	0	100%	Was newly appointed on Jul. 23, 2021.

Attachment 6: Director's compensation policy and individual's compensation

Compensation for directors includes the transportation and attendance fare for directors attending the board meetings, attendance fare for members of functional committee attending the committee, executive business expense, and the annual compensation for directors in accordance with the Articles of Incorporation. According to Article 26-1 of the Articles of Incorporation, when distributing the surplus profits for each fiscal year, the company shall first offset its losses of previous years and set not more than five percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to directors. The "surplus profits" here refers to the balance of pre-tax profit before deducting the employees' and directors' compensation. Total compensation paid to directors are reviewed by the Remuneration Committee in consideration of the company's business performance, the general pay levels in the industry and be submitted to the board of directors for approval. Compensation for individual director is determined in accordance with the "Regulations governing remuneration paid to directors and functional committee." The company takes into account the results of the performance evaluation of directors to calculate the points of each director. Such as the degree of participation in the company's operations, the attendance rate for the year, whether to serve as the chairman and other items. Then distributes the total amount approved by the board of directors according to the proportion.

Independent directors receive a fixed amount of compensation per month and do not participate in the distribution of annual compensation for directors. If an independent director is appointed as a member of any functional committee by the board of directors of the company, he/she will receive additional compensation paid to members of functional committee.

Unit: NT\$ thousand, Thousand Shares

Title	Name	Compensation								Sum of A+B+C+D and ratio to net income				Relevant compensation received by directors who are also employees								Sum of A+B+C+D+E+F+G and ratio to net income				Compensation paid to directors from an invested company other than the company's subsidiary
		Base Compensation (A)		Severance Pay (B)		Compensation to Directors (C)		Allowances (D)						Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)								
		The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	The company	(Note 1)	Cash	Stock	Cash	Stock	The company	(Note 1)	The company	(Note 1)			
		Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%	Sum	%			
Chairman	Liang, Chin-Li	2,862	8,851	0	0	39,194	39,194	72	238	42,128	2.29	48,283	2.63	10,930	13,629	0	0	3,500	0	3,500	0	56,558	3.08	65,412	3.56	48
Director	Yang, Jung-Tang	0	200	0	0	15,678	15,678	72	72	15,750	0.86	15,950	0.87	0	0	0	0	0	0	0	0	15,750	0.86	15,950	0.87	None
Director	Hu, Tai-Tsen	0	200	0	0	15,678	15,678	66	66	15,744	0.86	15,944	0.87	0	0	0	0	0	0	0	0	15,744	0.86	15,944	0.87	None
Independent Director	Yeh, Hui-Hsin	960	960	0	0	0	0	72	72	1,032	0.06	1,032	0.06	0	0	0	0	0	0	0	0	1,032	0.06	1,032	0.06	None
Independent Director	Yang, Qian	960	960	0	0	0	0	72	72	1,032	0.06	1,032	0.06	0	0	0	0	0	0	0	0	1,032	0.06	1,032	0.06	None
Independent Director	Wang, Mao-Rong	960	960	0	0	0	0	72	72	1,032	0.06	1,032	0.06	0	0	0	0	0	0	0	0	1,032	0.06	1,032	0.06	None
Independent Director	Huang, Tzu-Pei	960	960	0	0	0	0	72	72	1,032	0.06	1,032	0.06	0	0	0	0	0	0	0	0	1,032	0.06	1,032	0.06	None

Note1: Refers to all companies in the consolidated financial statements

Attachment 7: Comparison Table of the Articles of Incorporation

Article	After The Revision	Before The Revision
Article 16-2	<p>The company may have independent directors among the above-mentioned number of directors in accordance with Article 14-2 of the Securities Transaction Act. The number of independent directors will not less than three in number and not less than one-third of the total number of directors. If the chairman of the board of directors and the general manager or a person holding an equivalent position are the same person or are spouses or relatives within the first degree of kinship, then according to Article 4 of the Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEX Listed Companies, the company shall appoint not less than four independent directors. They shall be elected under the candidate nomination system under Article 192-1 of the Company Law. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the securities competent authority.</p>	<p>The company may have independent directors among the above-mentioned number of directors in accordance with Article 14-2 of the Securities Transaction Act. The number of independent directors will not less than three in number and not less than one-third of the total number of directors. They shall be elected under the candidate nomination system under Article 192-1 of the Company Law. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the securities competent authority.</p>
Article 30	<p>These articles of association were established on 10 February, 1979... Twenty eighth amendment was made on 26 May, 2022. Twenty ninth amendment was made on 24 May, 2024.</p>	<p>These articles of association were established on 10 February, 1979... Twenty eighth amendment was made on 26 May, 2022.</p>

Attachment 8: Comparison Table of the Rules of Procedure for Shareholder Meetings

Article	After The Revision	Before The Revision
Article 5	<p>Unless otherwise provided by law, the company’s shareholder meetings shall be convened by the board of directors.</p> <p><u>Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene a virtual shareholders meeting shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.</u></p>	<p>Unless otherwise provided by law, the company’s shareholder meetings shall be convened by the board of directors.</p>
Article 8-1	<p>Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice</p> <p>To convene a virtual shareholders meeting, the company shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> 1. How shareholders attend the virtual meeting and exercise their rights. 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session. (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if 	<p>Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice</p> <p>To convene a virtual shareholders meeting, the company shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> 1. How shareholders attend the virtual meeting and exercise their rights. 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session. (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if

Article	After The Revision	Before The Revision
	<p>the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>(4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</p> <p>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.</p>	<p>the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>(4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.</p> <p>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p>
Article 24	<p>When convening a virtual-only shareholders meeting, the company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration</p>	<p>When convening a virtual-only shareholders meeting, the company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.</p>

Article	After The Revision	Before The Revision
	of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.	
Article 26	<p>These rules were established on 3 May 2005.</p> <p>These rules were amended on 26 May 2022.</p> <p>These rules were amended on 24 May 2024.</p>	<p>These rules were established on 3 May 2005.</p> <p>These rules were amended on 26 May 2022.</p>

Attachment 9: Comparison Table of the Procedure for Acquisition or Disposal of Assets

Article	After The Revision	Before The Revision
Article 6	<p>Evaluation and Procedure for Acquisition or Disposal of Securities</p> <p>1. The means of price determination and supporting reference materials In acquiring or disposing of securities, prior to the date of occurrence of the event, the latest financial statements of the target company that has been certified or audited by accountants shall serve as reference for evaluating the transaction price:</p> <p>2. Expert Opinions In acquiring or disposing of securities, and if the transaction amount reaches 20% of the company’s paid-in capital or NT\$300 Million and above, an accountant shall be engaged to provide an opinion about the reasonableness of the transaction price prior to the date of occurrence of the event. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>3. The calculation of the transaction amounts shall be done in accordance with Article 13, subparagraph 2 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>4. The degree of authority delegated, the levels to which authority is delegated (1) Any investment in subsidiaries or disposal of shareholding thereof for operational purpose single transaction amount reaching more than 20% of the company’s capital shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than 20% of the</p>	<p>Evaluation and Procedure for Acquisition or Disposal of Securities</p> <p>1. The means of price determination and supporting reference materials In acquiring or disposing of securities, prior to the date of occurrence of the event, the latest financial statements of the target company that has been certified or audited by accountants shall serve as reference for evaluating the transaction price:</p> <p>2. Expert Opinions In acquiring or disposing of securities, and if the transaction amount reaches 20% of the company’s paid-in capital or NT\$300 Million and above, an accountant shall be engaged to provide an opinion about the reasonableness of the transaction price prior to the date of occurrence of the event. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p> <p>3. The calculation of the transaction amounts shall be done in accordance with Article 13, subparagraph 2 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.</p> <p>4. The degree of authority delegated, the levels to which authority is delegated (1) Any investment in subsidiaries or disposal of shareholding thereof for operational purpose single transaction amount reaching more than 20% of the company’s capital shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than 20% of the</p>

Article	After The Revision	Before The Revision
	<p>company's capital shall be ratified at the next board of directors meeting.</p> <p>(2) Any acquisition or disposal of government bond, corporate bond, financial bond, domestic or overseas bond type fund, domestic or overseas currency type fund for financing purpose with single transaction amount reaching NT\$100 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$100 Million. <u>Single</u> Transaction amount exceeding NT\$70 Million shall be ratified at the next the board of directors meeting.</p> <p>(3) Any acquisition or disposal of other securities for financing purpose with a single transaction amount reaching NT\$70 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$70 Million. <u>Single</u> Transaction amount exceeding NT\$50 Million may be ratified at the next board of directors meeting.</p> <p><u>(4) Any acquisition or disposal of other securities for the purpose of strategic cooperation with a single transaction amount reaching NT\$70 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$70 Million. Single transaction amount exceeding NT\$50 Million may be ratified at the next board of directors meeting.</u></p> <p>(4)(5) Any acquisition or disposal not for investment in subsidiaries and not for financing purpose with single transaction amount reaching NT\$30-70 Million or above shall be submitted to the board of</p>	<p>company's capital shall be ratified at the next board of directors meeting.</p> <p>(2) Any acquisition or disposal of government bond, corporate bond, financial bond, domestic or overseas bond type fund, domestic or overseas currency type fund for financing purpose with single transaction amount reaching NT\$100 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$100 Million. Transaction amount exceeding NT\$70 Million shall be ratified at the next the board of directors meeting.</p> <p>(3) Any acquisition or disposal of other securities for financing purpose with a single transaction amount reaching NT\$70 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$70 Million. Transaction amount exceeding NT\$50 Million may be ratified at the next board of directors meeting.</p> <p>(4) Any acquisition or disposal not for investment in subsidiaries and not for financing purpose with single transaction amount reaching NT\$30 Million or above shall be submitted to the board of directors</p>

Article	After The Revision	Before The Revision
	<p>directors for approval. The chairman is authorized to approval transactions less than NT\$30-70 Million.</p> <p>(5)(6) Negotiable term deposit certificates, short term commercial papers, bank endorsed drafts, and bonds under repurchase and resale agreement are not covered by the above and may be approved in accordance with the authority of the company.</p>	<p>for approval. The chairman is authorized to approval transactions less than NT\$30 Million.</p> <p>(5) Negotiable term deposit certificates, short term commercial papers, bank endorsed drafts, and bonds under repurchase and resale agreement are not covered by the above and may be approved in accordance with the authority of the company.</p>
Article 11	<p>Evaluation and Procedure for Acquisition or Disposal of Derivative Products</p> <p>In order to effectively manage the company’s income, expenses, assets, debts and risks arising out of foreign exchange and the company’s transactions of derivative products.</p> <p>1. Operational or Hedging Strategy</p> <p>The company engages in transactions of derivative products for the purpose of avoiding risks arising out of fluctuation of foreign exchange rate, interest rate or asset price. Hedging is limited to foreign currency positions payable/receivable arising out of the company’s business for the future six months.</p> <p>2. Segregation of Duty</p> <p><u>Derivative transactions should be handled by at least two individuals, one responsible for trading and the other for confirmation or settlement.</u> The highest-level executives of finance shall designate the staff of the finance department who may engage in derivative product transactions and or confirmations <u>and settlements</u>. There shall be transaction confirmation and settlement staff. The confirmation staff shall be responsible for confirming the transaction with the transaction counterparty. The settlement staff shall be responsible for arranging settlement due. The transaction confirmation staff shall not be the same person as the settlement staff.</p> <p>3. Determination of Limit on Total Transaction Contract Amount and Loss</p>	<p>Evaluation and Procedure for Acquisition or Disposal of Derivative Products</p> <p>In order to effectively manage the company’s income, expenses, assets, debts and risks arising out of foreign exchange and the company’s transactions of derivative products.</p> <p>1. Operational or Hedging Strategy</p> <p>The company engages in transactions of derivative products for the purpose of avoiding risks arising out of fluctuation of foreign exchange rate, interest rate or asset price. Hedging is limited to foreign currency positions payable/receivable arising out of the company’s business for the future six months.</p> <p>2. Segregation of Duty</p> <p>The highest-level executives of finance shall designate the staff of the finance department who may engage in derivative product transactions and confirmations.</p> <p>There shall be transaction confirmation and settlement staff. The confirmation staff shall be responsible for confirming the transaction with the transaction counterparty. The settlement staff shall be responsible for arranging settlement due. The transaction confirmation staff shall not be the same person as the settlement staff.</p> <p>3. Determination of Limit on Total Transaction Contract Amount and Loss</p>

Article	After The Revision	Before The Revision
	<p>Limit</p> <p>(1) Total Transaction Contract Amount <u>Hedging Operation</u> The company's total hedging contract amount shall be limited to the foreign currency positions receivable/payable arising out of the company's business for the future six months.</p> <p><u>Transactional Operation</u> Except Convertible Bonds and Bond with attached warrant and structured product with principal guaranteed, the company does not engage in transactional operations.</p> <p>(2) Loss Limits <u>Hedging Operations</u> If the company's individual (combined) contract losses represent 5% or more loss from the market value, a report shall be filed with the chairman for approval as to whether the positions should be closed. The individual (combined) contract losses shall not exceed a maximum of 10% of contract amount of each individual (combined) transaction. If this loss limit is exceeded, a public announcement shall be made in accordance with Article 13 of this procedure.</p> <p><u>Transactional Operations</u> Except Convertible Bonds and Bond with attached warrant and structured product with principal guaranteed, the company does not engage in transactional operations.</p> <p>4. Performance Review <u>Hedging Operations</u> The performance of hedging operations shall be evaluated based on the hedging strategies.</p> <p>5. The degree of authority delegated, the levels to which authority is delegated The authorization amount and level for hedging operations are as follows: The transaction staff authorized by the company shall carry out transactions in accordance with the total transaction contract amount limit under</p>	<p>Limit</p> <p>(1) Total Transaction Contract Amount <u>Hedging Operation</u> The company's total hedging contract amount shall be limited to the foreign currency positions receivable/payable arising out of the company's business for the future six months.</p> <p><u>Transactional Operation</u> Except Convertible Bonds and Bond with attached warrant and structured product with principal guaranteed, the company does not engage in transactional operations.</p> <p>(2) Loss Limits <u>Hedging Operations</u> If the company's individual (combined) contract losses represent 5% or more loss from the market value, a report shall be filed with the chairman for approval as to whether the positions should be closed. The individual (combined) contract losses shall not exceed a maximum of 10% of contract amount of each individual (combined) transaction. If this loss limit is exceeded, a public announcement shall be made in accordance with Article 13 of this procedure.</p> <p><u>Transactional Operations</u> Except Convertible Bonds and Bond with attached warrant and structured product with principal guaranteed, the company does not engage in transactional operations.</p> <p>4. Performance Review <u>Hedging Operations</u> The performance of hedging operations shall be evaluated based on the hedging strategies.</p> <p>5. The degree of authority delegated, the levels to which authority is delegated The authorization amount and level for hedging operations are as follows: The transaction staff authorized by the company shall carry out transactions in accordance with the total transaction contract amount limit under</p>

Article	After The Revision	Before The Revision																														
	<p>subparagraph 3, paragraph 1, Article 11 and the transaction may only be carried out following evaluation by the highest-level executives of finance and approval by the responsible supervisor. Each transaction shall be subject to internal written approval based on the amount. The authorization amount, transaction approval and level are as follows:</p> <table border="1" data-bbox="296 595 852 730"> <thead> <tr> <th>Amount (NT\$)</th> <th>Department Supervisor</th> <th>General Manager</th> <th>Chairman</th> <th>Board Directors</th> </tr> </thead> <tbody> <tr> <td>Below 100 Million</td> <td>Review</td> <td>Review</td> <td>Approval</td> <td></td> </tr> <tr> <td>100 Million and above(inclusive)</td> <td>Review</td> <td>Review</td> <td>Review</td> <td>Resolution</td> </tr> </tbody> </table> <p>To ensure that the transaction counterparty complies with the company's supervision and management, the transaction authorization amount and level provided under this article shall be notified to the transaction counterparty in writing. However, if the written confirmation with the transaction counterparty does not indicate the authorization amount, then the highest-level executives of finance will approve the transaction.</p> <p>6. Significant Derivative Product Transaction Significant derivative product transactions shall be carried out in accordance with relevant rules and submitted to the board of directors for resolution.</p> <p>7. The units responsible for implementation and Process</p> <ol style="list-style-type: none"> (1) Confirm transaction position. (2) Analysis and judgment about relevant trend. (3) Determine specific hedging method: <ol style="list-style-type: none"> i. Transaction target. ii. Transaction position. iii. Target price and range. iv. Transaction strategy and type. v. Price reference based on public quoting system. (4) Obtain approval for transaction. (5) Execute transaction. <ol style="list-style-type: none"> i. Transaction Counterparty: 	Amount (NT\$)	Department Supervisor	General Manager	Chairman	Board Directors	Below 100 Million	Review	Review	Approval		100 Million and above(inclusive)	Review	Review	Review	Resolution	<p>subparagraph 3, paragraph 1, Article 11 and the transaction may only be carried out following evaluation by the highest-level executives of finance and approval by the responsible supervisor. Each transaction shall be subject to internal written approval based on the amount. The authorization amount, transaction approval and level are as follows:</p> <table border="1" data-bbox="876 595 1431 730"> <thead> <tr> <th>Amount (NT\$)</th> <th>Department Supervisor</th> <th>General Manager</th> <th>Chairman</th> <th>Board Directors</th> </tr> </thead> <tbody> <tr> <td>Below 100 Million</td> <td>Review</td> <td>Review</td> <td>Approval</td> <td></td> </tr> <tr> <td>100 Million and above(inclusive)</td> <td>Review</td> <td>Review</td> <td>Review</td> <td>Resolution</td> </tr> </tbody> </table> <p>To ensure that the transaction counterparty complies with the company's supervision and management, the transaction authorization amount and level provided under this article shall be notified to the transaction counterparty in writing. However, if the written confirmation with the transaction counterparty does not indicate the authorization amount, then the highest-level executives of finance will approve the transaction.</p> <p>6. Significant Derivative Product Transaction Significant derivative product transactions shall be carried out in accordance with relevant rules and submitted to the board of directors for resolution.</p> <p>7. The units responsible for implementation and Process</p> <ol style="list-style-type: none"> (1) Confirm transaction position. (2) Analysis and judgment about relevant trend. (3) Determine specific hedging method: <ol style="list-style-type: none"> i. Transaction target. ii. Transaction position. iii. Target price and range. iv. Transaction strategy and type. v. Price reference based on public quoting system. (4) Obtain approval for transaction. (5) Execute transaction. <ol style="list-style-type: none"> i. Transaction Counterparty: 	Amount (NT\$)	Department Supervisor	General Manager	Chairman	Board Directors	Below 100 Million	Review	Review	Approval		100 Million and above(inclusive)	Review	Review	Review	Resolution
Amount (NT\$)	Department Supervisor	General Manager	Chairman	Board Directors																												
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100 Million and above(inclusive)	Review	Review	Review	Resolution																												

Article	After The Revision	Before The Revision
	<p>Transaction counterparties shall be selected with priority consideration for credit risk.</p> <p>ii. Transaction Staff: The company's staff who may execute derivative product transactions shall first be approved by the highest decision making supervisor of the finance department, general manager and chairman and then notified to the financial institution dealing with the company. No other staff may engage in the transactions.</p> <p>8. Risk Management</p> <p>(1) Credit Risk: In principle, the company's transaction counterparties are limited to banks or renowned financial institutions dealing with the company and those who can provide professional information. Otherwise, approval shall be required from the highest decision making supervisor of the finance department.</p> <p>(2) Market Risk: The company's derivative financial products shall be focused on hedging transactions against market price fluctuations due to change of foreign exchange or other reasons and shall be monitored at all times.</p> <p>(3) Liquidity Risk: In order to ensure liquidity, it shall be confirmed with the capital staff prior to the transaction that the transaction amount will not cause any insufficiency of liquidity.</p> <p>(4) Cash Risk: The company shall maintain sufficient liquid assets and credit facilities to satisfy settlement capital requirements.</p> <p>(5) Process Risk: The company shall have clear authorization amounts and process flows to avoid process risks.</p> <p>(6) Legal Risk: The documents between the company and the transaction counterparties shall be reviewed by the internal legal staff</p>	<p>Transaction counterparties shall be selected with priority consideration for credit risk.</p> <p>ii. Transaction Staff: The company's staff who may execute derivative product transactions shall first be approved by the highest decision making supervisor of the finance department, general manager and chairman and then notified to the financial institution dealing with the company. No other staff may engage in the transactions.</p> <p>8. Risk Management</p> <p>(1) Credit Risk: In principle, the company's transaction counterparties are limited to banks or renowned financial institutions dealing with the company and those who can provide professional information. Otherwise, approval shall be required from the highest decision making supervisor of the finance department.</p> <p>(2) Market Risk: The company's derivative financial products shall be focused on hedging transactions against market price fluctuations due to change of foreign exchange or other reasons and shall be monitored at all times.</p> <p>(3) Liquidity Risk: In order to ensure liquidity, it shall be confirmed with the capital staff prior to the transaction that the transaction amount will not cause any insufficiency of liquidity.</p> <p>(4) Cash Risk: The company shall maintain sufficient liquid assets and credit facilities to satisfy settlement capital requirements.</p> <p>(5) Process Risk: The company shall have clear authorization amounts and process flows to avoid process risks.</p> <p>(6) Legal Risk: The documents between the company and the transaction counterparties shall be reviewed by the internal legal staff</p>

Article	After The Revision	Before The Revision
	<p>or legal consultants before they are officially signed to avoid legal risks.</p> <p>9. Internal Control</p> <p>(1) The transaction staff of the company may not also serve as confirmation staff or settlement staff.</p> <p>(2) Upon occurrence of a transaction, the transaction staff shall immediately complete the transaction closing form and confirm with the confirmation staff. The confirmation staff shall confirm with the transaction counterparty based on the closing form and make records in the general positions chart for reference.</p> <p>(3) When the company engages in derivative product transactions, the evaluation, supervision and control of relevant risks shall be under the responsibility of internal audit staff independent from the finance department who reports to the board of directors and the chairman.</p> <p>10. Regular Evaluation Method and Anomaly Handling</p> <p>The finance department shall perform derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. The evaluation report shall be submitted to the senior staff authorized by the board of directors. Any anomaly shall be immediately reported to the board of directors and necessary corresponding measures shall be taken.</p> <p>The evaluation shall include the following:</p> <p>(1) Regularly evaluate whether the performance of derivative product transactions engaged are consistent with the existing operational strategy.</p> <p>(2) Whether the risks undertaken are</p>	<p>or legal consultants before they are officially signed to avoid legal risks.</p> <p>9. Internal Control</p> <p>(1) The transaction staff of the company may not also serve as confirmation staff or settlement staff.</p> <p>(2) Upon occurrence of a transaction, the transaction staff shall immediately complete the transaction closing form and confirm with the confirmation staff. The confirmation staff shall confirm with the transaction counterparty based on the closing form and make records in the general positions chart for reference.</p> <p>(3) When the company engages in derivative product transactions, the evaluation, supervision and control of relevant risks shall be under the responsibility of internal audit staff independent from the finance department who reports to the board of directors and the chairman.</p> <p>10. Regular Evaluation Method and Anomaly Handling</p> <p>The finance department shall perform derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. The evaluation report shall be submitted to the senior staff authorized by the board of directors. Any anomaly shall be immediately reported to the board of directors and necessary corresponding measures shall be taken.</p> <p>The evaluation shall include the following:</p> <p>(1) Regularly evaluate whether the performance of derivative product transactions engaged are consistent with the existing operational strategy.</p> <p>(2) Whether the risks undertaken are</p>

Article	After The Revision	Before The Revision
	<p>within the company’s scope of tolerance.</p> <p>(3) Monthly evaluation of risk management measures: Regularly evaluate whether the risk management measures currently used are suitable and duly compliant with the Derivative Product Transaction procedure established by the company.</p> <p>(4) The finance department shall proceed in accordance with the Commercial Accounting Act, the Financial Accounting Standards and letters and orders from relevant competent authorities. If there is no relevant rules, details shall be recorded and calculations shall be made on monthly basis under statements of realized and unrealized profit and loss.</p> <p>11. Where a public company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:</p> <p>(1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.</p> <p>(2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company’s permitted scope of tolerance.</p> <p>12. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</p> <p>(1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated in these</p>	<p>within the company’s scope of tolerance.</p> <p>(3) Monthly evaluation of risk management measures: Regularly evaluate whether the risk management measures currently used are suitable and duly compliant with the Derivative Product Transaction procedure established by the company.</p> <p>(4) The finance department shall proceed in accordance with the Commercial Accounting Act, the Financial Accounting Standards and letters and orders from relevant competent authorities. If there is no relevant rules, details shall be recorded and calculations shall be made on monthly basis under statements of realized and unrealized profit and loss.</p> <p>11. Where a public company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:</p> <p>(1) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.</p> <p>(2) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company’s permitted scope of tolerance.</p> <p>12. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</p> <p>(1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the</p>

Article	After The Revision	Before The Revision
	<u>Regulations</u> by the company.	company.
Article 20	<p>Implementation and Amendment The Procedure for Acquisition or Disposal of Assets shall be implemented after more than half of all audit committee members grants the approval, and shall be sent to the board of directors for further approval and reported at a shareholders' meeting. The same procedure shall be followed when the procedure have been amended.</p> <p>When the procedure for acquisition or disposal of asset is submitted to the board of directors for discussion in accordance with the above rule, opinions of the independent directors shall be fully taken into consideration and their opinions and reasons for approval or objection shall be included in the minutes of the meeting.</p> <p>The <u>amendment</u>establishment of this procedure shall be published as significant information on the Market Observation Post System.</p>	<p>Implementation and Amendment The Procedure for Acquisition or Disposal of Assets shall be implemented after more than half of all audit committee members grants the approval, and shall be sent to the board of directors for further approval and reported at a shareholders' meeting. The same procedure shall be followed when the procedure have been amended.</p> <p>When the procedure for acquisition or disposal of asset is submitted to the board of directors for discussion in accordance with the above rule, opinions of the independent directors shall be fully taken into consideration and their opinions and reasons for approval or objection shall be included in the minutes of the meeting.</p> <p>The establishment of this procedure shall be published as significant information on the Market Observation Post System.</p>
Article 21	<p>This procedure was established on 3 May 2005...</p> <p>This procedure was amended on 26 May 2022.</p> <p><u>This procedure was amended on 24 May 2024.</u></p>	<p>This procedure was established on 3 May 2005...</p> <p>This procedure was amended on 26 May 2022.</p>

Attachment 10: List of director (including independent director) candidates

Types of Nominee	Name	Education, Experience and Current Position (Current position marked with * are non-public company.)	Number of shares held (in shares)
Director	Liang, Chin-Li (Male)	<p>Education</p> <ul style="list-style-type: none"> ■ EMBA, National Chiao Tung University ■ Department of Electrical Engineering - Refrigerating and Air-conditioning, Taipei Tech <p>Current Position</p> <p>Subsidiaries within the group</p> <ul style="list-style-type: none"> ■ Chairman, Acter Group Corporation Limited ■ Chairman, Her Suo Eng., Co., Ltd.* ■ Chairman, Nova Technology Corp. ■ Chairman, Acter Technology Integration Group Co., Ltd. ■ Director, Sheng Huei (Shenzhen) Engineering Co., Ltd.* ■ Director, Shenzhen Dingmao Trade Co., Ltd.* ■ Director, Sheng Huei International Co. Ltd.* ■ Director, Acter International Limited* ■ Director, New Point Group Limited* ■ Director, Acter Technology Singapore Pte. Ltd.* ■ Director, Acter Technology Malaysia Sdn. Bhd.* ■ Chairman, Winmax Technology Corp.* ■ Director and CEO, Enrich Tech Co., Ltd.* ■ Chairman, Winmega Technology Corp.* ■ Chairman, Suzhou Winmax Technology Corp.* ■ Director, Novatech Engineering & Construction Pte. Ltd.* ■ Director, Sheng Huei Engineering Technology Company Limited* ■ Chairman, Acter Technology Co., Ltd.* ■ Chairman, Rayzher Industrial Co., Ltd. ■ Director, PT Acter Integration Technology Indonesia* <p>External companies</p> <ul style="list-style-type: none"> ■ Director, Waste Recovery Technology Inc. 	4,609,734

Types of Nominee	Name	Education, Experience and Current Position (Current position marked with * are non-public company.)	Number of shares held (in shares)
Director	Xiang-Hui Development Co., Ltd. Representative : Wu, Pi-Huei (Female)	<p>Education</p> <ul style="list-style-type: none"> ■ Master of Management, National Chung Hsing University <p>Experience</p> <ul style="list-style-type: none"> ■ President, Linglu Composite Building Material (shanghai) Co., Ltd. ■ Chairman, Denlie International Co., Ltd. ■ Executive Director, TCGS Alumni Association <p>Current Position</p> <p>Subsidiaries within the group</p> <ul style="list-style-type: none"> ■ Director, Nova Technology Corp. <p>External companies</p> <ul style="list-style-type: none"> ■ Director, TCGS Education Foundation 	5,395,776
Director	Hu, Tai-Tsen (Male)	<p>Education</p> <ul style="list-style-type: none"> ■ EMBA, Tunghai University ■ Department of Electrical Engineering - Refrigerating and Air-conditioning, Taipei Tech <p>Experience</p> <ul style="list-style-type: none"> ■ Honorary Member, The Phi Tau Phi Scholastic Honor Society of the Republic of China ■ Lecturer, Department of Electrical Engineering, National Chin-Yi University of Technology ■ Executive Director, Taiwan Refrigerator and Air-Conditioning Association of Republic of China ■ Jury for Technical Examination of Refrigeration and Air Conditioning Repair Technician by the Ministry of Internal Affairs <p>Current Position</p> <p>Subsidiaries within the group</p> <ul style="list-style-type: none"> ■ Director, Acter Group Corporation Limited ■ Director, Sheng Huei International Co. Ltd.* ■ Director, New Point Group Limited* <p>External companies</p> <ul style="list-style-type: none"> ■ Director, Lishan Hotel Corporation* 	2,607,178

Types of Nominee	Name	Education, Experience and Current Position (Current position marked with * are non-public company.)	Number of shares held (in shares)
Independent Director	Huang, Tzu-Pei (Female)	<p>Education</p> <ul style="list-style-type: none"> ■ Master, School of Law, National Chiao Tung University ■ Bachelor of Financial Law, College of Law, National Taiwan University <p>Experience</p> <ul style="list-style-type: none"> ■ Consultant lawyer, Taipei City Government ■ Consultant lawyer, Taiwan Union of Nurses Association ■ Consultant lawyer, labor unions of Cheng Hsin General Hospital ■ Arbitrator, Chinese Arbitration Association, Taipei ■ Committee member, Parliament ■ Coordination Committee of Taiwan Bar Association <p>Current Position</p> <p>Subsidiaries within the group</p> <ul style="list-style-type: none"> ■ Independent director, Acter Group Corporation Limited <p>External companies</p> <ul style="list-style-type: none"> ■ Lawyer, Meridian Attorneys-at-Law 	0
Independent Director	Chi, Chih-Yi (Male)	<p>Education</p> <ul style="list-style-type: none"> ■ PhD, Harvard University Economics Department <p>Experience</p> <ul style="list-style-type: none"> ■ Associate Professor, Department of Finance, National Chung Hsing University ■ Associate Professor, Department of Economics, National Chung Cheng University <p>Current Position</p> <p>Subsidiaries within the group</p> <ul style="list-style-type: none"> ■ Independent Director, Nova Technology Corp. <p>External companies</p> <ul style="list-style-type: none"> ■ Professor, Department of Finance, National Chung Hsing University ■ Independent Director, Gourmet Master Co. Ltd. 	0

Types of Nominee	Name	Education, Experience and Current Position (Current position marked with * are non-public company.)	Number of shares held (in shares)
Independent Director	Chiu, Hui-Yin (Female)	<p>Education</p> <ul style="list-style-type: none"> ■ Master in Accounting, National Taiwan University ■ Bachelor of Accounting, National Chengchi University <p>Experience</p> <ul style="list-style-type: none"> ■ Partner CPA, Deloitte & Touche <p>Current Position</p> <p>Subsidiaries within the group</p> <ul style="list-style-type: none"> ■ Independent Director, Nova Technology Corp. <p>External companies</p> <ul style="list-style-type: none"> ■ Person in Charge, Li Jung Investment Co., Ltd.* ■ Director, Weiyu United Accounting Firm 	0
Independent Director	Liang, Lien-Wen (Female)	<p>Education</p> <ul style="list-style-type: none"> ■ PhD in Agricultural Economics, Hokkaido University, Japan ■ Master in Economics, National Tsing Hua University <p>Experience</p> <ul style="list-style-type: none"> ■ Associate Professor of Finance, Chinese Culture University ■ Assistant Professor of Finance, Chinese Culture University <p>Current Position</p> <p>External companies</p> <ul style="list-style-type: none"> ■ Professor of Finance, Chinese Culture University ■ Adjunct Professor, Department of Finance and Cooperative Management, National Taipei University ■ Director, International Cooperation and Development Fund 	0

Attachment 11: Content of non-competition restrictions to be waived for directors (including independent directors) and their representatives

Name	Content of non-competition restrictions to be waived
Liang, Chin-Li	<ul style="list-style-type: none"> ■ Chairman, Her Suo Eng., Co., Ltd. ■ Chairman, Nova Technology Corp. ■ Chairman, Acter Technology Integration Group Co., Ltd. ■ Director, Sheng Huei (Shenzhen) Engineering Co., Ltd. ■ Director, Shenzhen Dingmao Trade Co., Ltd. ■ Director, Sheng Huei International Co. Ltd. ■ Director, Acter International Limited ■ Director, New Point Group Limited ■ Director, Acter Technology Singapore Pte. Ltd. ■ Director, Acter Technology Malaysia Sdn. Bhd. ■ Chairman, Winmax Technology Corp. ■ Director and CEO, Enrich Tech Co., Ltd. ■ Chairman, Winmega Technology Corp. ■ Chairman, Suzhou Winmax Technology Corp. ■ Director, Novatech Engineering & Construction Pte. Ltd. ■ Director, Sheng Huei Engineering Technology Company Limited ■ Chairman, Acter Technology Co., Ltd. ■ Chairman, Rayzher Industrial Co., Ltd. ■ Director, PT Acter Integration Technology Indonesia ■ Director, Waste Recovery Technology Inc.
Wu, Pi-Huei	<ul style="list-style-type: none"> ■ Director, Nova Technology Corp. ■ Director, TCGS Education Foundation
Hu, Tai-Tsen	<ul style="list-style-type: none"> ■ Director, Sheng Huei International Co. Ltd. ■ Director, New Point Group Limited ■ Director, Lishan Hotel Corporation
Huang, Tzu-Pei	<ul style="list-style-type: none"> ■ Lawyer, Meridian Attorneys-at-Law
Chi, Chih-Yi	<ul style="list-style-type: none"> ■ Independent Director, Nova Technology Corp. ■ Independent Director, Gourmet Master Co. Ltd.
Chiu, Hui-Yin	<ul style="list-style-type: none"> ■ Independent Director, Nova Technology Corp. ■ Person in Charge, Li Jung Investment Co., Ltd. ■ Director, Weiyu United Accounting Firm
Liang, Lien-Wen	<ul style="list-style-type: none"> ■ Director, International Cooperation and Development Fund

XI.Appendices

Appendix 1:Articles of Incorporation< Before the revision >

Articles of Incorporation

Chapter 1 General

Article 1. The company is organized and incorporated as a company limited by stock in accordance with the Company Law and is named ACTER GROUP CORPORATION LIMITED.

Article 2. The company operates the following businesses:

1. E501011 Water Pipe Construction
2. E599010 Pipe Lines Construction
3. E601010 Electric Appliance Construction
4. E601020 Electric Appliance Installation
5. E602011 Frozen and Air-conditioning Engineering
6. E603010 Cables Construction
7. E603040 Fire Fighting Equipments Construction
8. E603050 Cybernation Equipments Construction
9. E603090 Illumination Equipments Construction
10. E603100 Electric Welding Construction
11. E606010 Electricity Equipments Checking and Maintenance
12. E801010 Building Maintenance and Upholstery
13. E801020 Doors and Windows Construction
14. E801030 Interior Light Rigid Frame Construction
15. EZ05010 Apparatus Installation Construction
16. EZ09010 Static Electricity Protecting and Clearing Construction
17. EZ15010 Warming and Cooling Maintainance Construction
18. J101050 Sanitary and Pollution Controlling Services
19. J101060 Wastewater (Sewage) Treatment
20. IG03010 Energy Technical Services
21. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3. The company may provide guarantees to other persons and is not restricted by Article 16 of the Company Law. The rules for endorsement and guarantee shall be implemented following approval by the shareholder meeting. The same procedures shall be applicable to any amendment thereof.

Article 4. The total amount of investment made by the company in other invested companies shall not be restricted by Article 13 of the Company Law. The board of directors is authorized to make such investment.

Article 5. The company's headquarters is located in Taichung City, Taiwan. As required, the board of directors may pass a resolution to establish domestic and overseas branch offices following approval by the competent authority.

Article 6. The company shall make public announcements in accordance with the Company Law and other relevant laws and regulations.

Chapter 2 Shares

Article 7. The company's total capital is fixed at NT\$720,000,000, divided into 144 million shares, at NT\$5 per share, to be issued in several batches. The board of directors may pass resolutions to issue the unissued shares in accordance with actual needs.

Article 8. The company may issue shares without share certificates, provided that a securities depository institution shall be engaged for registration.

Article 9. Matters related to the shares of the company shall be handled in accordance with relevant legislations and rules of the competent authority.

Article 9-1. Treasury stocks bought back by the company in accordance with the Company Act, new shares issued by the company, employee stock warrants or the restricted employee shares can be granted to employees of parents or subsidiaries of the company whom meeting certain conditions set by the company.

Chapter 3 Shareholder Meetings

Article 10. Shareholder meetings are divided into regular meetings and special meetings. Regular meetings shall be convened once a year within 6 months from the end of each accounting year. Special meetings shall be convened in accordance with the law as required. The rules for convening shareholder meetings shall be in accordance with relevant legislations. After the resolution of the board of directors, shareholder meetings can be held by means of visual communication assisted shareholders meeting, visual communication shareholders meeting or other methods promulgated by the central competent authority. The company shall comply with the conditions, procedures and other matters made by the securities competent authority.

Article 11. Any shareholder who cannot attend a shareholder meeting may issue a proxy to designate a representative to attend the meeting on its behalf in accordance with Article 177 of the Company Law.

Article 12. The chairman shall serve as the chairman of shareholder meetings. If the chairman is absent, the chairman will designate one director to serve such duty. If no designation is made, one person shall be elected from among the directors to serve the duty.

Article 13. Shareholders of the company enjoy one vote per share, provided that no voting right shall be enjoyed under the circumstances as provided in Article 179 of the Company Law.

Article 14. Unless otherwise provided by law, shareholder resolutions shall be passed by the majority of shareholder voting rights in a meeting that is attended by shareholders representing the majority of total outstanding shares.

Article 15. Resolutions made in shareholder meetings shall be recorded in the minutes and signed and affixed thereon by the chairman. The minutes shall be sent to all shareholders within 20 days after the meeting. The minutes shall summarize the proceedings, and the results of the discussions shall be kept permanently. The shareholder attendance sheets and proxies shall be kept for at least one year.

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

Article 15-1 Any proposal to cancel and publicly issue company shares shall be made to the shareholder meeting for resolution. This provision shall not be modified during the period when the company's shares are listed in the OTC market or stock exchange (Gre-Tai market).

Chapter 4 Directors

Article 16. The company has 5 to 9 directors, all to be elected from among the nominees listed in the roster of director candidates under the candidate nomination system by the shareholder meeting for terms of 3 years. The same person may be elected again upon expiry of the term.

The directors of the company shall be elected by single selection, registered and accumulated election method. Each share is entitled to the same number of voting rights as the number of directors to be elected. The votes may be cast to one single candidate or be distributed among several candidates. The candidates receiving more votes shall be elected directors. If this method requires amendment, it shall be carried out in accordance with Article 172 of the Company Law and a table of comparison for such method shall be included in the agenda for convening the meeting.

The total number of registered shares of the company that may be held by all directors shall be determined by the standard established in accordance with the "Guidelines for Shareholding Percentage by Directors and Supervisors of Publicly Traded Companies and Audit Practice" promulgated by the Financial Supervisory Commission of the Executive Yuan.

Article 16-1. The company shall purchase liability insurance during the terms of directors to cover the liability for compensation borne by them in accordance with the law within the scope of their duties.

Article 16-2. The company may have independent directors among the above-mentioned number of directors in accordance with Article 14-2 of the Securities Transaction Act. The number of independent directors will not less than three in number and not less than one-third of the total number of directors. They shall be elected under the candidate nomination system under Article 192-1 of the Company Law. The professional qualifications, shareholding, restrictions on serving other functions, determination of independence and other compliance matters with regard to independent directors shall be in accordance with relevant rules of the securities competent authority.

Article 17. If one-third or more of the director's seats are vacant, or if all independent directors are dismissed, the board of directors shall convene a special shareholder meeting within 60 days to fill the vacancies.

Article 18. The directors shall organize the board of directors. A chairman shall be elected from among the directors by majority of the directors attending a meeting that is attended by 2/3 or more of the directors to execute all matters of the company.

Article 18-1. The chairman of the board of directors shall internally preside the shareholders' meeting, the meeting of the board of directors, and the meeting of the managing directors; and shall externally represent the company. The chairman is authorized to handle all significant matter of the company, but chairman right still restrict by Company's Corporate Charter, resolution of shareholder's meeting and director meeting.

Article 19. Unless otherwise provided by Company Law, board meetings shall be convened by the chairman. If the chairman is on leave or cannot perform the duty due to any reason, the representative shall be in accordance with Article 208 of the Company Law.

Article 19-1. The agenda of the board meeting shall be included in the convening notice and sent to all directors 7 days in advance. However, a meeting may be convened at any time in case of an emergency. The notice may be sent in writing, by email or fax.

Article 20. Unless otherwise provided for in other law, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy and state therein the scope of authority with reference to the subjects to be discussed at the meeting, the others director may accept the appointment to act as the proxy referred to in the preceding paragraph of one other director only. In case a meeting of the board of directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 21. Board meetings shall be recorded in the minutes and signed with a seal affixed by the chairman. The minutes shall be distributed to all directors within 20 days after the meeting. Minutes shall summarize the proceedings and results of the meeting and shall be kept permanently together with the attendance sheets and proxies by attending directors.

Article 22. The company is configured with an audit committee in compliance with the requirements established under Article 14-4 of the Securities and Exchange Act. The Audit Committee shall consist of all independent directors. The Committee or its members are in charge of exercising functions as supervisors indicated in the Company Act, the Securities and Exchange Act, and other laws and regulations.

Article 23. The expenses entailed through exercising their duties by the directors of the company shall be determined by the board of directors based on the common standard of the industry.

Chapter 5 Managers and Staff

Article 24. The company may have managers, whose hiring, dismissal and remuneration shall be in accordance with Article 29 of the Company Law.

Article 25. The company may hire consultants or important staff by board resolution.

Chapter 6 Closing

Article 26. The board of directors shall prepare the following statements at the end of the company's accounting year, submit them to the Audit Committee for inspection 30 days prior to the general shareholder meeting and then submit them to the general shareholder meeting for recognition:

(1) Business report, (2) financial statements, (3) profit distribution or loss compensation proposal.

Article 26-1. When distributing the surplus profits for each fiscal year, the company shall first offset its losses of previous years and set not less than three percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to employees; and then set not more than five percent of the profit before tax excluding the amount of employees' and directors' compensation as compensation to directors. The "surplus profits" here refers to the balance of pre-tax profit before deducting the employees' and directors' compensation. The distribution of compensation to employees and directors shall be resolved with a majority vote of directors attended by at least two-thirds of total directors and reported to the shareholder's meeting.

Compensation to employees can be distributed in the form of shares or in cash and employees of parents or subsidiaries of the company meeting certain conditions set by the company can receive it as well.

Article 27. The company's surplus earning distribution or loss off-setting proposal may be proposed after the end of each half fiscal year.

When distributing the surplus earnings for each half fiscal year, the company shall first estimate and reserve the taxes to be paid, offset its losses, estimate and reserve the amount of employees' and directors' compensation, set aside or reverse a legal capital reserve at 10% of the remaining earnings provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the company, then set aside a special capital reserve in accordance with law and the competent authority.

If there is a balance left over, the balance, together with the accumulated undistributed surplus in the previous period, shall be drafted by the board of directors for a distribution proposal. When the company distributes its surplus by issuing new shares, it shall follow the Article 240 of the Company Act; if such surplus is distributed in the form of cash, it shall be resolved by a majority vote at a board of directors meeting attended by at least two-thirds of the total number of directors.

If there is a surplus earning following annual closing, the company shall first pay the taxes and offset its losses, then distribute it in the following order:

1. Set aside a 10% legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply;
2. Special reserve in accordance with law and the competent authority.
3. If there is a balance left over, the balance, together with the accumulated undistributed surplus in the previous period, shall be drafted by the board of directors for a distribution proposal. When the company distributes its surplus by issuing new shares, it shall be resolved at the shareholders' meeting; if such surplus is distributed in the form of cash, it shall be resolved by a majority vote at a board of directors meeting attended by at least two-thirds of the total number of directors and shall be reported to the shareholders' meeting.

In accordance with the Article 241 of the Company Act, when the company distributes its legal reserve and the capital reserve, in whole or in part, by issuing new shares or by cash distribution which shall be distributed as dividend shares to its original shareholders in proportion to the number of shares being held by each of them, it shall be distributed in accordance with the resolution in the preceding paragraph.

The company reserves a portion of the surplus depending on its current environment, growth stage and long term financial planning. The remaining amount will be distributed by the board of directors as shareholder dividend based on the capital situation and economic development of the current year and cash dividend shall account for 10% or more of the total shareholder dividend.

Chapter 7 Miscellaneous

Article 28. The enforcement rules of the company's articles of association shall be further determined by the board of directors.

Article 29. Any matter not provided for under these articles of association shall be in accordance with the Company Law or other legislations.

Article 30. These articles of association were established on 10 February, 1979.

First amendment was made on 23 July, 1981.

Second amendment was made on 7 February, 1983.

Third amendment was made on 8 September, 1984.

Fourth amendment was made on 29 July, 1991.

Fifth amendment was made on 15 December, 1993.

Sixth amendment was made on 21 January, 1994.

Seventh amendment was made on 27 July, 1995.

Eighth amendment was made on 28 March, 1997.

Ninth amendment was made on 15 November, 1999.

Tenth amendment was made on 1 December, 2001.

Eleventh amendment was made on 12 March, 2002.

Twelfth amendment was made on 5 April, 2002.

Thirteenth amendment was made on 20 June, 2002.

Fourteenth amendment was made on 3 May, 2004.

Fifteenth amendment was made on 29 October, 2004.

Sixteenth amendment was made on 3 May, 2005.

Seventeenth amendment was made on 10 November, 2008.

Eighteenth amendment was made on 16 June, 2009.

Nineteenth amendment was made on 4 November, 2009.

Twentieth amendment was made on 10 June, 2010.

Twenty first amendment was made on 15 June, 2011.

Twenty second amendment was made on 18 June, 2012.

Twenty third amendment was made on 28 May, 2015.

Twenty fourth amendment was made on 31 May, 2016.

Twenty fifth amendment was made on 26 May, 2017.

Twenty sixth amendment was made on 30 May, 2018.

Twenty seventh amendment was made on 29 May, 2019.

Twenty eighth amendment was made on 26 May, 2022.

Acter Group Corporation Limited

Chairman: Liang, Chin-Li

Appendix 2: Rules of Procedure for Shareholder Meetings < Before the revision >

Rules of Procedure for Shareholder Meetings

Article 1. Basis and Purpose of Establishment

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

Article 2. Scope

The company's shareholder meetings shall be carried out in accordance with these rules.

Article 3. Definition

Shareholders referred to in these rules mean the shareholders themselves, solicitors and proxies.

Article 4. The rules of procedures for the company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 5. Convening Shareholder Meetings and Meeting Notices

Unless otherwise provided by law, the company's shareholder meetings shall be convened by the board of directors.

Changes to how the company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the company and the professional shareholder services agent designated thereby.

The company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

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

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

If the meeting notice has specified the re-election of directors and the date they assumed their duties, as the re-election is completed on the shareholders' meeting, resolution of assuming date should not be changed by means of an extraordinary motion or other means in the same meeting.

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

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

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

Article 6. Attending Shareholder Meetings by Proxy and Authorization

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

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the company before 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the company, if the shareholder intends to attend the meeting in person, a written notice of proxy cancellation shall be submitted to the company before 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the company two

business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 7. Principles determining the time and place of a shareholders meeting

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

The restrictions on the place of the meeting shall not apply when the company convenes a virtual-only shareholders meeting.

Article 8. Preparation of Documents such as Attendance Book

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The company may not freely add other supporting documents that shareholders attending meetings should present. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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

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

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

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the company two days before the meeting date.

In the event of a virtual shareholders meeting, the company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 8-1. Convening virtual shareholders meetings and particulars to be included in shareholders meeting notice

To convene a virtual shareholders meeting, the company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

- (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 9. The chairman and non-voting participants of a shareholders meeting

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chairman, or, if there are no managing directors, one of the directors shall be appointed to act as chairman. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chairman.

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

The Chairman shall preside over shareholders' meetings called for by the Board of Directors in person and more than half of all Board directors plus at least one member from respective functional committees shall attend the meetings and document their attendance in shareholders' meeting minutes.

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

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

The tasks of the chairman are as follows:

1. Calling the general meeting to order at the time scheduled and adjourning or recessing the meeting, and presiding over the meeting in accordance with the procedure.
2. Maintaining the order at the meeting place and ensuring the compliance with the Rules of Procedure.
3. Admitting the status of spokesman.
4. Referring the motions.
5. Calling to discuss and vote of proposals in order and announcing the voting results.
6. Signing the meeting minutes and relevant documents.
7. Replying to all the parliamentary inquiries and determining the question of privilege and point of order.

Article 10. Audio or Video Recording of Shareholder Meetings Proceedings

The company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures and retain them for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 11. Calculation of Shares Represented in Shareholder Meeting and Proceeding with the Meeting

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

The chairman shall call the meeting to order at the appointed meeting time and announce the relevant information such as the number of non-voting rights and the number of shares present. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the company in accordance with Article 8.

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

Article 12. Discussions of Proposals

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Relevant proposals (including the extraordinary motions or amendment of the existing proposals) shall be resolved case by case. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

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

The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the

attending shareholders in electing a new chairman in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

Article 13. Shareholder speech

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

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

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

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

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

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

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 14. Calculation of voting shares and recusal system

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

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

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

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

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 15. Voting of Resolution, Voting Supervision and Vote Counting

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares.

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

A shareholder intending to exercise voting rights in writing or by electronic means under the preceding paragraph shall deliver a written declaration of intent to the company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights in writing or by electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised in writing or by electronic means shall prevail. When a shareholder has exercised voting rights both in writing or by electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

If a shareholder of a company whose shares have been issued in public holds shares for others, such shareholder may exercise his/her/its voting power separately.

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

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

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

When the company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 8 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have

withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 16. Election Matters

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 list of unsuccessful directors and supervisors and the number of voting rights they have obtained.

Where re-election of all directors is effected, by a resolution adopted by a shareholders' meeting, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance. The aforesaid resolution of re-election shall be attended by shareholders who represent more than one-half of the total number of issued and outstanding shares

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

Article 17. Meeting Records and Signature Matters

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

The company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the Market Observation Post System.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairman's full name, the methods by which resolutions were adopted, a summary of the deliberations, and the voting results (including the weighted voting). When an election of directors is held, the number of weighted votes each candidate wins shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 18. Public Disclosure

On the day of a shareholders meeting, the company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies, and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

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

Article 19.Maintaining order at the meeting place

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

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

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

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

Article 20.Recess and resumption of a shareholders meeting

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

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

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 21.Disclosure of information at virtual meetings

In the event of a virtual shareholders meeting, the company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 22.Location of the chair and secretary of virtual-only shareholders meeting

When the company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair or the designated person shall declare the address of their location when the meeting is called to order.

Article 23.Handling of disconnection

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair or the designated person shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the first paragraph, the company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.

Article 24. Handling of digital divide

When convening a virtual-only shareholders meeting, the company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 25. Implementation

These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Article 26. Establishment and Amendment Dates

These rules were established on 3 May 2005.

These rules were amended on 16 June 2009.

These rules were amended on 15 June 2011.

These rules were amended on 18 June 2012.

These rules were amended on 19 June 2013.

These rules were amended on 28 May 2015.

These rules were amended on 27 May 2020.

These rules were amended on 23 July 2021.

These rules were amended on 26 May 2022.

Appendix 3: Rules of Procedures for Election of Directors

Procedures for Election of Directors

Article 1. Purpose and the basis

To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2. The abilities that must be present in the board

The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The company's Board of Directors shall consider adjusting the composition of the Board of Directors based on the performance assessment results.

Article 3. Qualifications for the independent directors

The qualifications for the independent directors of this Corporation shall not only comply with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" but also consider the company's operations, industrial characteristics, development needs and overall functions of the board of directors to seek appropriate and diversified talents.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 4. Electoral machinery of directors

The cumulative voting method will be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. Any shareholder holding 1% or more of the total number of outstanding shares issued by the company and the board

of directors may submit a roster of director candidates to the company, and the roster will be submit to the shareholders' meeting for elections. The shareholders shall elect directors from among the nominees listed in the roster of director candidates. Matters related to the acceptance and public announcement for the nomination of candidates of directors shall be in accordance with the relevant laws and regulations such as the Company Act and Securities and Exchange Act.

Article 5.By-election mode for the shortfall of directors

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6.Preparation for the ballots

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7.Number of directors and elected mode

The number of directors and supervisors will be as specified in this Corporation's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 8.Vote monitoring and counting

Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9.Invalid circumstances of the ballot

A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 10.Count of votes

The ballot boxes shall be opened right after the voting session is completed. The Chair shall announce the voting result, including the list of elected directors and the number of votes in their favor.

Ballot examiners shall seal and sign the ballot papers indicated under election information in the preceding paragraph and keep them properly for at least one year. If a shareholder makes a litigious claim against the Company according to Article 189 of the Company Act, however, the abovementioned documents must be retained until the end of the litigation.

Article 11.Elected notice

The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 12.Implementation

These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 13.Date of Establishment and Amendment

This procedure was established on 3 May 2005.

This procedure was amended on 16 June 2009.

This procedure was amended on 15 June 2011.

This procedure was amended on 28 May 2015.

This procedure was amended on 26 May 2017.

This procedure was amended on 23 July 2021.

This procedure was amended on 26 May 2022.

Appendix 4: Procedure for Acquisition or Disposal of Assets < Before the revision >

Procedure for Acquisition or Disposal of Assets

Article 1. Purpose and Legislative Basis

The company has established this procedure in accordance with Article 36-1 of the Securities Transaction Act and the “Guidelines for Acquisition and Disposal of Assets by Publicly Traded Companies” for the purpose of reinforcing asset management, protecting investment and executing information disclosure. Any matter related to the acquisition or disposal of assets by the company shall be in accordance with this procedure.

Article 2. Scope of Assets

The term “assets” as used in this procedure includes the following:

1. Investment in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficiary interest securities and asset-backed securities.
2. Real property (including land, houses and buildings, investment property, and inventories of construction enterprises) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivable, bill purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 3. Definitions of Relevant Terms

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rates, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term “forward contracts” does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fixed assets.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue (“OTC venue”, “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.
9. The term “latest financial statements” means the financial statements publicly certified or audited by accountants in accordance with law before the company acquires or disposes of assets.

Article 4.

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:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of any party to the company.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-regulatory rules of the industry associations to which they belong and with the following provisions:

- (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- (2) When conducting 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 appropriateness 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 appropriate and reasonable, and that they have complied with applicable laws and regulations.

Article 5. The limits on real property and right-of-use assets thereof or securities acquired by the company for non-business use.

1. The company’s acquisition of non-business real property and right-of-use assets thereof or securities is limited to the following amount limits:

- (1) The total amount of real property and right-of-use assets thereof acquired for non-business use shall not exceed 50% of the net value according to the latest financial statements of the company.
 - (2) The total amount of investment in securities shall not exceed 100% of the net value according to the latest financial statements of the company. The amount of investment in any individual security shall not exceed 30% of the net value according to the latest financial statements of the company. Investment in securities with guaranteed principal, domestic or overseas currency fund for financing purpose, negotiable term deposit certificates, short term commercial papers, bank endorsed drafts, and bonds under repurchase and resale agreement shall not be included.
2. The company's investment in subsidiaries shall be done in accordance with resolutions of the board of directors as authorized by the company's articles of association and shall not be subject to the limit of not exceeding 40% of the paid-in capital under Article 13 of the Company Law.

Article 6. Evaluation and Procedure for Acquisition or Disposal of Securities

1. The means of price determination and supporting reference materials
In acquiring or disposing of securities, prior to the date of occurrence of the event, the latest financial statements of the target company that has been certified or audited by accountants shall serve as reference for evaluating the transaction price:
2. Expert Opinions
In acquiring or disposing of securities, and if the transaction amount reaches 20% of the company's paid-in capital or NT\$300 Million and above, an accountant shall be engaged to provide an opinion about the reasonableness of the transaction price prior to the date of occurrence of the event. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
3. The calculation of the transaction amounts shall be done in accordance with Article 13, subparagraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.
4. The degree of authority delegated, the levels to which authority is delegated
 - (1) Any investment in subsidiaries or disposal of shareholding thereof for operational purpose single transaction amount reaching more than 20% of the company's capital shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than 20% of the company's capital shall be ratified at the next board of directors meeting.
 - (2) Any acquisition or disposal of government bond, corporate bond, financial bond, domestic or overseas bond type fund, domestic or overseas currency type fund for financing purpose with single transaction amount reaching NT\$100 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$100 Million. Transactions amount exceeding NT\$70 Million shall be ratified at the next the board of directors meeting.
 - (3) Any acquisition or disposal of other securities for financing purpose with a single transaction amount reaching NT\$70 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$70 Million. Transaction amount exceeding NT\$50 Million may be ratified at the next board of directors meeting.
 - (4) Any acquisition or disposal not for investment in subsidiaries and not for financing purpose with single transaction amount reaching NT\$30 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$30 Million.

- (5) Negotiable term deposit certificates, short term commercial papers, bank endorsed drafts, and bonds under repurchase and resale agreement are not covered by the above and may be approved in accordance with the authority of the company.

5. The units responsible for implementation

The company's procedure related to the acquisition and disposal of long and short term securities investment shall be executed under the responsibility of the finance department following approval in accordance with the authority provided in the previous subparagraph.

6. Transaction Process

The transaction process flow for the company's acquisition or disposal of securities shall be carried out in accordance with the company's rules about investment cycles under the internal control system.

Article 7. Evaluation and Procedure for Acquisition or Disposal of Real Property, equipment, or right-of-use assets thereof

1. The means of price determination and supporting reference materials

For acquisition or disposal of real property, equipment, or right-of-use assets thereof, reference shall be made to publish current value, appraisal value and actual transaction price of neighboring real property. Transaction conditions, transaction price and analysis report shall be prepared through the procedure of price consultation, price comparison, price negotiation or public tender and submitted to the chairman.

2. Expert Appraisal Report

For any acquisition or disposal of real property, equipment, or right-of-use assets thereof, other than a transaction with a domestic government authority, delegated construction on self-owned land, delegated construction on leased land or acquisition or disposal of equipment or right-of-use assets thereof for operational purpose, if the transaction amount reaches 20% of the company's paid-in capital or NT\$300 Million or above, an appraisal report issued prior to the date of occurrence of the event by a professional appraiser shall first be obtained and the following rules shall be complied with:

- (1) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (2) If the transaction amount is NT\$1 Billion or above, at least 2 professional price appraisers shall be engaged to perform appraisal.
- (3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - i. The appraisal result deviates from the transaction amount by 20% or more.
 - ii. The appraisal results by two or more professional appraisers deviate from the transaction price by 20% or more.
- (4) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- (5) Application in Construction Industry
Unless any fixed price, specific price, or special price is used as reference benchmark for the transaction price, if there is a justifiable reason for not obtaining the appraisal report in time, the appraisal report shall be obtained within 2 weeks commencing immediately from the date of occurrence, and the certified public accountant's opinion under subparagraph (3) of

the preceding paragraph shall be obtained within 2 weeks counting inclusively from the day the appraisal report is obtained.

(6) For assets acquired or disposed of through court auction procedure, documents of proof issued by the court may be used in lieu of price appraisal report or accountant's opinion.

(7) The calculation of the transaction amounts shall be done in accordance with Article 6, subparagraph 3 herein.

3. The degree of authority delegated, the levels to which authority is delegated

Any acquisition or disposal of real property, equipment, or right-of-use assets thereof with transaction amount less than 20% of the company's capital shall be submitted to the chairman for approval. Any transaction exceeding more than 20% of the company's capital shall only be carried out after approval by the board of directors.

4. The units responsible for implementation

Any acquisition or disposal of real property, equipment, or right-of-use assets thereof by the company shall be executed under the responsibility of the user department and relevant responsible department after approval in accordance with the authority provided under the previous subparagraph.

5. Transaction Process

The transaction flow for the acquisition or disposal of real property, equipment, or right-of-use assets thereof by the company shall be carried out in accordance with the procedure related to real property, plant and equipment cycles under the company's internal control system.

Article 8. Evaluation and Procedure for Acquisition of Real Property from a Related Party

1. When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions article.

The calculation of the transaction amount shall be made in accordance with Article 6, subparagraph 3 herein. When judging whether a trading counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

2. When the company engages in any acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or when it engages in any acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by Securities Investment Trust Enterprises (SITEs), the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than half of all audit committee members and submitted to the board of directors for further approval:

(1) The purpose, necessity and expected effect of acquisition or disposal of assets.

(2) Reason for selecting a related party as the transaction counterparty.

(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information relating to the evaluation of reasonableness of contemplated transaction conditions in accordance with subparagraph 3 and 4 of this article.

(4) The date, price and transaction party in the previous transaction engaged by the related party and the relationship between the company and the related party.

(5) Cash income and expense forecast table for each of the 12 months following the month on which the contract is contemplated to be signed and evaluation of the necessity of the transaction and reasonableness of the utilization of capital.

(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the subparagraph 1 of this article.

- (7) Restrictive conditions and other important agreements under this transaction.
 - (8) When submission is made to the board of directors for discussion in accordance, opinions of independent directors shall be fully taken into consideration. Any objection or reservation by any independent director shall be recorded in the minutes of the board meeting.
 - (9) The calculation of the transaction amounts shall be made in accordance with Article 13, subparagraph 2 herein, and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by more than half of all audit committee members and submitted to the shareholders’ meeting or the board of directors for further approval need not be counted toward the transaction amount.
 - (10) With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the company’s board of directors may pursuant to Article 7, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:
 - i. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
 - ii. Acquisition or disposal of real property right-of-use assets held for business use.
 - (11) If the company or a subsidiary thereof that is not a domestic public company will have a transaction set out in subparagraph 2 and the transaction amount will reach 10 percent or more of the company’s total assets, the company shall submit the materials in subparagraph 2 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the company and its parent company or subsidiaries or between its subsidiaries.
3. Evaluation of Reasonableness of Transaction Cost
- (1) For any real property or right-of-use assets thereof to be acquired from a related party, the following method should be used to evaluate the reasonableness of the transaction cost:
 - i. Transaction price with the related party plus required capital interest and cost to be borne by the buyer in accordance with law. Required capital interest cost shall be calculated based on the weighted average interest rate of the loan taken out by the company during the year of asset acquisition, provided that it shall not be higher than the highest lending rate for non-financial industry published by the Ministry of Finance.
 - ii. If the related party has taken out a mortgaged loan from any financial institution based on the target, the total lending assessment value of the target by such financial institution, provided that the accumulated value of actual lending by such financial institution for the target shall be at least 70% of the total lending assessment value and the loan period must have exceeded one year. However, this shall not be applicable if the financial institution is a related party to either party to the transaction.
 - (2) If the land and housing under the same target is purchased or leased at the same time, the transaction cost for the land and the housing may be evaluated under any method under subparagraph (1) above.
 - (3) For any real property or right-of-use assets thereof to be acquired from a related party, the real property or right-of-use assets thereof cost shall be evaluated in accordance with subparagraphs (1) and (2) above and an accountant shall be engaged to perform re-assessment and provide substantial opinion.
 - (4) For real property or right-of-use assets thereof to be acquired from a related party, if there is any of the following events, only subparagraph 2 of this article about evaluation and procedure shall be applicable. Provisions about the evaluation of reasonableness of transaction cost under subparagraphs (1) to (3) above shall not be applicable.
 - i. The related party acquired the real property or right-of-use assets thereof through succession or gift.
 - ii. The contract by which the related party acquired the real property or right-of-use assets

thereof was signed more than 5 years preceding the contract signature date for this transaction.

iii. The real property was acquired through signature of a co-construction contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

iv. The real property right-of-use assets for business use are acquired by the company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.

4. If the result of evaluation under subparagraphs (1) and (2) above is lower than the transaction price, subparagraph 5 of this article shall be applicable. However, this shall not be applicable if it is due to any of the following reasons and if objective evidence is submitted and substantial opinions about reasonableness from real property professional appraiser and accountant are received:

(1) The related party re-constructed following the acquisition of undeveloped land or leased land and evidence is provided to show that one of the following conditions are satisfied:

i. The combined value of evaluation of the undeveloped land in the method provided under subparagraph 3 and the construction cost of the housing by the related party plus reasonable construction profit exceeds the actual transaction price. Reasonable construction profit shall be based on the average business gross interest rate of the related party's construction department for the past three years or the latest construction industry gross interest rate published by the Ministry of Finance, whichever is lower.

ii. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

(2) Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

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

5. For any acquisition of real property or right-of-use assets thereof from a related party, if the result of evaluation under subparagraphs 3 and 4 is lower than the transaction price, the following matters shall be carried out:

(1) The difference between the real property or right-of-use assets thereof transaction price and the evaluation cost shall be provided as special reserve in accordance with paragraph 1, Article 41 of the Securities Transaction Act and shall not be distributed in cash or in share through capital increase. If the investor evaluating the company's investment under the equity method is a publicly traded company, special reserve shall be provided based on the provided amount and the shareholding percentage in accordance with paragraph 1, Article 41 of the Securities Transaction Act.

(2) The independent directors of the audit committee shall proceed in accordance with Article 218 of the Company Law.

(3) Actions taken pursuant to subparagraphs (1) and (2) above shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual

report and any investment prospectus.

The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

6. For any real property or right-of-use assets thereof acquired by the company from a related party, if there is any other evidence showing that the transaction is inconsistent with operational norms, the previous subparagraph shall be followed.

Article 9. Evaluation and Procedure for Acquisition or Disposal of Intangible Assets or Right-of-use Assets Thereof or Memberships

1. The means of price determination and supporting reference materials

For the acquisition or disposal of any intangible assets or right-of-use assets thereof or memberships, the future possible proceeds from such asset and market fair value should be taken into consideration. If required, expert opinions should be referred to. Negotiation and determination shall be made with the transaction counterparty.

2. Expert Opinions

Any acquisition or disposal of intangible assets or right-of-use assets thereof or memberships with the transaction amount reaching 20% of the company's paid-in capital or NT\$300 Million or above, except in transactions with a domestic government authority, an accountant shall be engaged to provide an opinion about the reasonableness of the transaction price prior to the date of occurrence of the event. Calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 6, subparagraph 3.

3. The degree of authority delegated, the levels to which authority is delegated

(1) Any acquisition or disposal of membership with the transaction amount of NT\$1 Million or below shall be approved internally by the company and submitted to the chairman for approval. If the transaction amount exceeds NT\$1 Million, it may only be carried out after approval by the board of directors.

(2) Any acquisition or disposal of an intangible asset or right-of-use assets thereof with the transaction amount of NT\$1 Million or below shall be approved internally by the company, may only be carried out after approval by the chairman, and shall be submitted to the following board meeting. If the transaction amount exceeds NT\$1 Million, it may only be carried out after approval by the board of directors.

4. The units responsible for implementation

The company's acquisition or disposal of intangible assets or right-of-use assets thereof or memberships shall be executed under the responsibility of the user department and the relevant responsible department after approval in accordance with the previous subparagraph.

5. Transaction Process

The transaction process flow for the company's acquisition or disposal of intangible assets or right-of-use assets thereof or memberships shall be carried out in accordance with the company's rules about investment cycles under the internal control system.

Article 10. Evaluation and Procedure for Acquisition or Disposal of Creditor's Right Against a Financial Institution

In principle, the company does not engage in any transaction for acquisition or disposal of creditor's right against financial institution. If it wishes to engage in any transaction for acquisition or disposal of creditor's right against financial institution, it shall establish relevant evaluation and processing procedure after submission to and approval from the board of directors.

Article 11. Evaluation and Procedure for Acquisition or Disposal of Derivative Products

In order to effectively manage the company's income, expenses, assets, debts and risks arising out of foreign exchange and the company's transactions of derivative products.

1. Operational or Hedging Strategy

The company engages in transactions of derivative products for the purpose of avoiding risks arising out of fluctuation of foreign exchange rate, interest rate or asset price. Hedging is limited to foreign currency positions payable/receivable arising out of the company's business for the future six months.

2. Segregation of Duty

The highest-level executives of finance shall designate the staff of the finance department who may engage in derivative product transactions and confirmations.

There shall be transaction confirmation and settlement staff. The confirmation staff shall be responsible for confirming the transaction with the transaction counterparty. The settlement staff shall be responsible for arranging settlement due. The transaction confirmation staff shall not be the same person as the settlement staff.

3. Determination of Limit on Total Transaction Contract Amount and Loss Limit

(1) Total Transaction Contract Amount

Hedging Operation

The company's total hedging contract amount shall be limited to the foreign currency positions receivable/payable arising out of the company's business for the future six months.

Transactional Operation

Except Convertible Bonds and Bond with attached warrant and structured product with principal guaranteed, the company does not engage in transactional operations.

(2) Loss Limits

Hedging Operations

If the company's individual (combined) contract losses represent 5% or more loss from the market value, a report shall be filed with the chairman for approval as to whether the positions should be closed.

The individual (combined) contract losses shall not exceed a maximum of 10% of contract amount of each individual (combined) transaction. If this loss limit is exceeded, a public announcement shall be made in accordance with Article 13 of this procedure.

Transactional Operations

Except Convertible Bonds and Bond with attached warrant and structured product with principal guaranteed, the company does not engage in transactional operations.

4. Performance Review

Hedging Operations

The performance of hedging operations shall be evaluated based on the hedging strategies.

5. The degree of authority delegated, the levels to which authority is delegated

The authorization amount and level for hedging operations are as follows:

The transaction staff authorized by the company shall carry out transactions in accordance with the total transaction contract amount limit under subparagraph 3, paragraph 1, Article 11 and the transaction may only be carried out following evaluation by the highest-level executives of finance and approval by the responsible supervisor.

Each transaction shall be subject to internal written approval based on the amount. The authorization amount, transaction approval and level are as follows:

Amount(NT\$)	Department Supervisor	General Manager	Chairman	Board of Directors
Below 100 Million	Review	Review	Approval	
100Million and above(inclusive)	Review	Review	Review	Resolution

To ensure that the transaction counterparty complies with the company's supervision and

management, the transaction authorization amount and level provided under this article shall be notified to the transaction counterparty in writing. However, if the written confirmation with the transaction counterparty does not indicate the authorization amount, then the highest-level executives of finance will approve the transaction.

6. Significant Derivative Product Transaction

Significant derivative product transactions shall be carried out in accordance with relevant rules and submitted to the board of directors for resolution.

7. The units responsible for implementation and Process

- (1) Confirm transaction position.
- (2) Analysis and judgment about relevant trend.
- (3) Determine specific hedging method:
 - i. Transaction target.
 - ii. Transaction position.
 - iii. Target price and range.
 - iv. Transaction strategy and type.
 - v. Price reference based on public quoting system.

(4) Obtain approval for transaction.

(5) Execute transaction.

- i. Transaction Counterparty: Transaction counterparties shall be selected with priority consideration for credit risk.
- ii. Transaction Staff: The company's staff who may execute derivative product transactions shall first be approved by the highest decision making supervisor of the finance department, general manager and chairman and then notified to the financial institution dealing with the company. No other staff may engage in the transactions.

8. Risk Management

(1) Credit Risk: In principle, the company's transaction counterparties are limited to banks or renowned financial institutions dealing with the company and those who can provide professional information. Otherwise, approval shall be required from the highest decision making supervisor of the finance department.

(2) Market Risk: The company's derivative financial products shall be focused on hedging transactions against market price fluctuations due to change of foreign exchange or other reasons and shall be monitored at all times.

(3) Liquidity Risk: In order to ensure liquidity, it shall be confirmed with the capital staff prior to the transaction that the transaction amount will not cause any insufficiency of liquidity.

(4) Cash Risk: The company shall maintain sufficient liquid assets and credit facilities to satisfy settlement capital requirements.

(5) Process Risk: The company shall have clear authorization amounts and process flows to avoid process risks.

(6) Legal Risk: The documents between the company and the transaction counterparties shall be reviewed by the internal legal staff or legal consultants before they are officially signed to avoid legal risks.

9. Internal Control

(1) The transaction staff of the company may not also serve as confirmation staff or settlement staff.

(2) Upon occurrence of a transaction, the transaction staff shall immediately complete the transaction closing form and confirm with the confirmation staff. The confirmation staff shall confirm with the transaction counterparty based on the closing form and make records in the general positions chart for reference.

(3) When the company engages in derivative product transactions, the evaluation, supervision and control of relevant risks shall be under the responsibility of internal audit staff independent from the finance department who reports to the board of directors and the chairman.

10. Regular Evaluation Method and Anomaly Handling

The finance department shall perform derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. The evaluation report shall be submitted to the senior staff authorized by the board of directors. Any anomaly shall be immediately reported to the board of directors and necessary corresponding measures shall be taken.

The evaluation shall include the following:

- (1) Regularly evaluate whether the performance of derivative product transactions engaged are consistent with the existing operational strategy.
- (2) Whether the risks undertaken are within the company's scope of tolerance.
- (3) Monthly evaluation of risk management measures: Regularly evaluate whether the risk management measures currently used are suitable and duly compliant with the Derivative Product Transaction procedure established by the company.
- (4) The finance department shall proceed in accordance with the Commercial Accounting Act, the Financial Accounting Standards and letters and orders from relevant competent authorities. If there is no relevant rules, details shall be recorded and calculations shall be made on monthly basis under statements of realized and unrealized profit and loss.

11. Where a public company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

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

12. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

- (1) Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.
- (2) When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.

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

13. The internal audit staff shall regularly understand the suitability of internal control of derivative product transaction and shall audit the compliance of transaction related departments with relevant provisions under this procedure on monthly basis. The transaction cycles shall also be analyzed and recorded into audit reports. If any significant violation is discovered, the Audit Committee shall be informed in writing.

14. The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 11(2) and 12(1) of this Article shall be recorded in detail in the log book.

15. Any of the company's managers or responsible staff who engages in any derivative product transaction shall comply with the provisions under this procedure in order to avoid any inappropriate operational loss suffered by the company. In case of any violation of any relevant legislation or this procedure, the sanctions shall be imposed in accordance with relevant human resource regulations.

16. If any subsidiary of the company except Nova Technology Corp. and its subsidiaries contemplate to engage in derivative product transactions, the company shall ensure that it

establishes a procedure for derivative product transactions and implement such procedure after it is submitted to the board of directors for resolution in accordance with relevant rules. Any subsidiary of the company that engages in any derivative product transaction shall provide relevant information to the company for review on a regular basis.

Article 12. Evaluation and Procedure for Merger, Division, Acquisition or Share Transfer

1. Evaluation and Procedure

If the company engages in any merger, division, acquisition or share transfer, it shall engage attorneys, accountants and underwriters to jointly study and discuss the legal procedure and estimated timetable. A project team shall be organized for execution in accordance with the legal procedure.

2. Transaction Consideration Determination Method and Reference Benchmark

If the company engages in any merger, division, acquisition or share transfer, it shall consider the past and future financial and operational status of the participating companies, estimate proceeds that may occur in the future and fair method for transaction price determined by the market. Professional opinions from accountants, attorneys or securities underwriters shall be referred to as well as the negotiated price by the counterparty participating in the merger, division, acquisition or share transfer.

3. Expert Opinions

If the company engages in any merger, division, acquisition or share transfer, accountants, attorneys or securities underwriters shall be engaged before a board meeting is convened for resolution to provide opinions about the reasonableness of the share swap ratio, acquisition price or cash and other properties distributed to the shareholders. The opinions shall be submitted to the board of directors for discussion and approval. However, if the company merges its directly or indirectly wholly owned subsidiary or a merger between its directly or indirectly wholly owned subsidiaries, the company may be exempted from obtaining the opinions as mentioned above.

4. Decision Level

If the company engages in any merger, division, acquisition or share transfer, the resolutions shall be in accordance with the Company Law and relevant legislations.

5. Submission of Relevant Information and Disclosure of Information when Approval by Shareholder Meeting Cannot be Obtained

(1) If the company engages in any merger, division, acquisition or share transfer, important agreed provisions and relevant matters about the merger, division or acquisition shall be included into a public document brought to the attention of the shareholders before the shareholder meeting and sent to the shareholders together with expert opinions under subparagraph 3 of this Article and notice for shareholder meetings to serve as reference as to whether the merger, division or acquisition proposal should be approved, except other merger, division or acquisition matters that do not require shareholder resolutions in accordance with laws.

(2) If the shareholder meeting of any company participating in the merger, division or acquisition cannot be held due to insufficient quorum or voting rights or other legal restrictions or if the proposal is rejected by the shareholder meeting, the companies participating in the merger, division or acquisition shall immediately make a public announcement about the reasons, subsequent steps and expected dates to convene their shareholder meetings.

6. Dates of Board Meeting and Shareholder Meeting

(1) Unless otherwise provided by law or in case of any special reason that is reported to and approved by the Financial Supervisory Commission in advance, companies participating in the merger, division or acquisition shall hold board meetings and shareholder meetings on the same day to resolve matters related to the merger, division or acquisition.

- (2) Unless otherwise provided by law or in case of any special reason that is reported to and approved by the Financial Supervisory Commission in advance, companies participating in share transfer shall hold board meetings on the same day.
- (3) Companies participating in the merger, division or acquisition whose are listed on stock exchange or whose shares are traded in securities dealers' premises shall make complete written records of the following information and keep them for five years for reference.
 - i. Basic staff information: Including persons who participated in the merger, division, acquisition or share transfer project or execution of the project prior to the disclosure of the news, their titles, names and ID numbers (passport numbers for foreigners).
 - ii. Dates of important events: Including dates of signing of letters of intent, memorandums of understanding, engagement of financial or legal advisors, signature of contracts and board of directors.
 - iii. Important documents and minutes: Including merger, division, acquisition or share transfer plan, letters of intent, memorandums of understanding, important contracts and minutes of the board meetings.

Companies participating in the merger, division or acquisition who are listed on stock exchange or whose shares are traded in securities dealers' premises shall, within 2 days commencing immediately from board resolution, submit the information under subparagraphs (3) i and ii above in the regulated format through the Internet information system to the Financial Supervisory Commission for reference.

If any company participating in the merger, division or acquisition is not a company listed on any stock exchange or whose shares traded in securities dealers' premises, the companies who are listed on stock exchanges or whose shares are traded in securities dealers' premises shall sign an agreement with such company and proceed in accordance with the previous paragraph and subparagraph 6 (3).

7. Confidentiality Obligation and Avoidance of Insider Trading

All persons participating or that know about the company's merger, division, acquisition or share transfer plan shall issue a written confidentiality undertaking and shall not disclose the plan before the publication of the news, nor shall they purchase or sell any stock or any security in the nature of stock entitlement of any company that is related to the merger, division, acquisition or share transfer plan either in their own name or in the name of any other person.

8. Principle for Change of Share Swap Percentage or Acquisition Price

Companies participating in a merger, division, acquisition or share transfer shall not make any change to the share swap percentage or acquisition price in principle, unless the contract has already provided for the conditions for change. Conditions that may be changed in relation to share swap percentage or acquisition price are as follows:

- (1) Capital increase, issuance of convertible corporate bonds, issuance of shares without consideration, issuance of corporate bonds with warrants, special shares with warrants, options and other securities in the nature of share entitlement.
- (2) Important acts that affect the company's finance or business such as disposal of the company's material asset.
- (3) Occurrence of a significant disaster, significant technical change affecting the interest of the company's shareholders or securities price.
- (4) Any company participating in the merger, division, acquisition or share transfer makes adjustment pursuant to repurchase of treasury shares in accordance with law.
- (5) Any increase, decrease or change of any entity or number of entities participating in the merger, division, acquisition or share transfer.
- (6) Any condition that may be changed as provided under the contract, and which has been publicly disclosed.

9. Matters to be Provided in Contract

In relation to any merger, division, acquisition or share transfer to which the company participates, the contract shall also specify the rights and obligations of the companies

participating in the merger, division, acquisition or share transfer and specify the following matters:

- (1) Breach consequence.
 - (2) Principle for handling securities in the nature of share entitlement previously issued or treasury shares repurchased by companies that will disappear or be divided following the merger.
 - (3) The quantity of treasury shares that the participating company may repurchase in accordance with law after the record date for share swap percentage calculation and the principle for handling such treasury shares.
 - (4) The method to handle increase, decrease or change of participating entities or the number of entities.
 - (5) Expected execution progress and expected completion date of the plan.
 - (6) If the plan is not completed within the deadline, relevant handling procedures such as the expected date of shareholder meeting to be convened in accordance with law.
10. Change of Number of Companies Participating in Merger, Division, Acquisition or Share Transfer
- After any company participating in the merger, division, acquisition or share transfer publicly discloses the information, if it wishes to perform a merger, division, acquisition or share transfer with any other company, other than when the number of participants is decreased and when the shareholder meetings has resolved and authorized the board of directors to change the authority, in which circumstances the participating company does not need to convene a new shareholder meeting to pass a new resolution, all participating companies shall pass once again through the procedure or legal act that has been completed during the original plan, merger, acquisition or share transfer plan.
11. If any company participating in the merger, division, acquisition or share transfer is not a publicly traded company, the company shall sign an agreement with such company and proceed in accordance with the provisions under subparagraph 6 of this article about board meeting and shareholder meeting date, subparagraph 7 about confidentiality obligation and avoidance of insider trading and subparagraph 10 about change of number of companies participating in the merger, division, acquisition or share transfer.

Article 13. Procedure of Public Announcement

1. Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the Securities and Futures Bureau of the Financial Supervisory Commission's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:
 - (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by Securities Investment Trust Enterprises (SITEs).
 - (2) Merger, demerger, acquisition, or transfer of shares.
 - (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company
 - (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - i. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.

- ii. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
- (5) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.
 - (6) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million or more.
 - (7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - i. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - ii. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange, except if the sale and purchase relates to securities of parent company, subsidiary or affiliate.
 - iii. Trading of bonds under repurchase/resale agreements, or subscription or repurchase of domestic money market funds issued by Securities Investment Trust Enterprises (SITES).
2. The amount of transactions above shall be calculated as follows:
 - (1) The amount of any individual transaction.
 - (2) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
 - (3) The cumulative transaction amount of real property or right-of-use assets thereof acquisitions and disposals (cumulative acquisitions and disposals, respectively) within the same development project within the preceding year.
 - (4) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
 - (5) “Within the preceding year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Regulations need not be counted toward the transaction amount.
 3. The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission by the 10th day of each month.
 4. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting

inclusively from the date of knowing of such error or omission.

5. The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company headquarters, where they shall be retained for 5 years except where another act provides otherwise.
6. Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the Securities and Futures Bureau within 2 days commencing immediately from the date of occurrence of the event:
 - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (3) Change to the originally publicly announced and reported information.
7. If any subsidiary of the company is not a publicly traded company and its acquisition or disposal of asset reaches the threshold of public announcement under Articles 30 and 31 of the “Guidelines for Acquisition and Disposal of Asset by Publicly Traded Companies”, the company shall make public announcements on behalf of the subsidiary. The paid-in capital as a threshold for public announcement to be applied or the total assets by the subsidiary shall be based on the paid-in capital of the company or total assets.

Article 14. Control Procedure for Acquisition or Disposal of Asset by Subsidiary

1. The company shall see that each subsidiary establishes and executes the procedure for acquisition or disposal of asset in accordance with the “Guidelines for Acquisition and Disposal of Asset by Publicly Traded Companies” by the Financial Supervisory Commission.
2. Any acquisition or disposal of an asset by any subsidiary except Nova Technology Corp. and its subsidiaries which is subject to approval by the board of directors in accordance with the “Procedure for Acquisition or Disposal of Assets” it established or other legislations shall be reported to the company before the occurrence of the fact. The responsible department of the company shall evaluate the feasibility, necessity and reasonableness of such acquisition or disposal of asset, follow up on its execution afterwards and perform analysis and review.
3. The company’s internal audit staff shall regularly audit the subsidiary’s compliance with the “Procedure for Acquisition or Disposal of Assets” and prepare an audit report. After submission of the discoveries and suggestions in the audit report, the audited subsidiary shall be informed to make improvements. Regular follow up reports shall be prepared to ensure that timely and appropriate improvement measures have been undertaken.

Article 15. For the calculation of 10% of total assets under these procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

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

Article 16. The company shall not give up capital increase in any future year for Sheng Huei International Co., Ltd., Nova Technology Corp., or Her Suo Engineering Co., Ltd. If the company must abandon the capital increase for the above companies or disposes of the above companies due to consideration for strategic alliance or other consideration with

the approval of the Gre-Tai Securities Market, approval shall be required by special resolution of the board of directors of the company.

Article 17. Penalty

If any relevant staff of the company violates the “Guidelines for Acquisition or Disposal of Assets by Publicly Traded Companies” by the Financial Supervisory Commission or the “Procedure for Acquisition or Disposal of Assets” of the company, regular report shall be made and sanction shall be imposed based on the gravity of the matter in accordance with the human resource management rules of the company and the work rules.

Article 18. Relevant Legislations

Any matter that is not fully provided for hereunder shall be subject to relevant legislations.

Article 19.

“Acknowledgement by the Audit Committee shall be obtained” in this procedure means that approval by more than half of all members of the Audit Committee shall be obtained before submission to the Board of Directors for a final decision.

If approval by more than half of all members of the Audit Committee is not obtained as mentioned above, as long as approval from more than two-thirds of all members of the Board of Directors is obtained, it may be implemented and resolution reached by the Audit Committee shall be indicated in the Board of Director meeting minutes.

“All members of the Audit Committee” indicated in Paragraph 1 and “all members of the Board of Directors” indicated in the foregoing paragraph refer to the actual number of incumbent members.

Article 20. Implementation and Amendment

The Procedure for Acquisition or Disposal of Assets shall be implemented after more than half of all audit committee members grants the approval, and shall be sent to the board of directors for further approval and reported at a shareholders’ meeting. The same procedure shall be followed when the procedure have been amended.

When the procedure for acquisition or disposal of asset is submitted to the board of directors for discussion in accordance with the above rule, opinions of the independent directors shall be fully taken into consideration and their opinions and reasons for approval or objection shall be included in the minutes of the meeting.

The establishment of this procedure shall be published as significant information on the Market Observation Post System.

Article 21. Date of Establishment and Amendment

This procedure was established on 3 May 2005.

This procedure was amended on 4 October 2005.

This procedure was amended on 16 June 2009.

This procedure was amended on 10 June 2010.

This procedure was amended on 15 June 2011.

This procedure was amended on 19 June 2013.

This procedure was amended on 18 June 2014.

This procedure was amended on 28 May 2015.

This procedure was amended on 26 May 2017.

This procedure was amended on 30 May 2018.

This procedure was amended on 29 May 2019.

This procedure was amended on 27 May 2020.

This procedure was amended on 26 May 2022.

Appendix 5: Shareholding of Directors

- As of March 26, 2024, the company's registered capital is NT\$720,000,000, the issued capital of the company is NT\$620,404,650, with a total issued common shares of 124,080,930.
- As the independent director of the company exceed one-half of the total directorships, and the company has established the audit committee that satisfies the requirements of the Securities and Exchange Act, the minimum shareholding requirements for directors and supervisors do not apply.
- As of March 26, 2024, the actual collective shareholdings of directors were shown as below:

Position	Name	Date elected	Term (Years)	Directors	
				Shares	Shareholding ratio
Chairman	Liang, Chin-Li	Jul. 23, 2021	3	4,609,734	3.72%
Directors	Yang, Jung-Tang	Jul. 23, 2021	3	2,094,148	1.69%
Directors	Hu, Tai-Tsen	Jul. 23, 2021	3	2,607,178	2.10%
Independent Director	Yeh, Hui-Hsin	Jul. 23, 2021	3	7,186	0.01%
Independent Director	Wang, Mao-Rong	Jul. 23, 2021	3	12,000	0.01%
Independent Director	Yang, Qian	Jul. 23, 2021	3	0	0.00%
Independent Director	Huang, Tzu-Pei	Jul. 23, 2021	3	0	0.00%
combined shareholding of all directors				9,330,246	7.53%

Appendix 6: Directors and employees compensation

Unit : NTDS

Items	The Board adopted a proposal(A)	already expensed under the Company's 2023 income statements(B)	DIF (A-B)	Difference reason and dealing with the situation
Employees' stock compensation	0	0	0	No different
Employees' cash compensation	141,100,771	141,100,771	0	
Directors' compensation	70,550,385	70,550,385	0	

Appendix 7: The other explanation

1. The company's response about shareholder's proposal in this Annual Shareholder's Meeting:
 - (1) According to the article 172-1 of the Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting, provided that only one matter shall be allowed in each single proposal and the number of words of a proposal to be submitted by a shareholder shall be limited to not more than three hundred (300) words.
 - (2) The company has announced on the Market Observation Post System that the shareholders can submit a written proposal for discussion at the shareholders meeting. The period is March 18, 2024 to March 27, 2024.
 - (3) The company had not received any proposals from shareholders.
2. The company's response about the list of nominated in this Annual Shareholder's Meeting:
 - (1) According to the article 192-1 of the Company Act, both shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company and the Board meeting may propose to the company the nomination for election at a regular shareholders' meeting.
 - (2) The company has announced that the shareholders can submit nominations to be elected at the meeting on the Market Observation Post System. The period is March 18, 2024 to March 27, 2024.
 - (3) The company has announced matters about nomination in accordance with the legal procedures. The list of nominated has been approved by the Board meeting on April 11, 2024 and is proposed to release the restriction on competitive activities for the nominated, who participate in the operations of other company that engages in the same or similar business as the Company.