

Stock code: 9955



佳龍科技工程股份有限公司
SUPER DRAGON TECHNOLOGY CO., LTD.

The 2023 Regular shareholders'
Meeting
Meeting Handbook

Form of meeting: Physical Shareholders' Meeting

Date of Meeting: 9 a.m. on Friday, June 16, 2023

Address of meeting: No.323, Huanke Rd., Guanyin Dist., Taoyuan City

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Super Dragon Technology Co., Ltd.
Meeting Procedures of The 2023 Regular
shareholders' meeting

- I. Call the Meeting to Order
- II. Chairman's opening remarks
- III. Report Items
- IV. Ratifications
- V. Discussions
- VI. Elections
- VII. Other Proposals
- VIII. Extraordinary Motions
- IX. Adjournment

Super Dragon Technology Co., Ltd.

Agenda of The 2023 Regular shareholders’ meeting

- I. Time and Date:** 09:00 a.m. on June 16, 2023 (Friday)
- II. Address:** No.323, Huanke Rd., Guanyin Dist., Taoyuan City
- III. Form of meeting:** Physical Shareholders’ Meeting
- IV. Call the Meeting to Order**
- V. Chairman’s opening remarks**
- VI. Report Items**
 - (I) Proposal of 2022 Business Report.
 - (II) Proposal of the Audit Committee’s Review Report on the 2022 financial statements.
 - (III) Proposal of Amend part of the “Rules of Procedure of the Board of Directors” of the Company.
 - (IV) Proposal of Report on Accumulated Losses Reaching One-Half of Paid-in Capital.
- VII. Ratifications**
 - (I) Proposal of Ratification of 2022 Business Report and Financial Statements.
 - (II) Proposal of Ratification of 2022 Deficit Compensation
- VIII. Discussions**
 - (I) Amendments to the certain provisions of the “Procedures for the Acquisition and Disposal of Assets”.
- IX. Elections**
 - (I) The by-election of the two independent directors is hereby called.
- X. Other proposals**
 - (I) Termination of the restrictions on the non-competing clauses for the new directors of the Company.
- XI. Extraordinary Motions**
- XII. Adjournment**

[Report Items]

Proposal 1 (Proposed by Board of Directors)

Cause of action: Proposal of 2022 Business Report is hereby submitted for your review.

Explanation: Please refer to Attachment 1 (page 8) of this handbook for the Company's 2022 Business Report.

Proposal 2 (Proposed by the Board of Directors)

Cause of action: The Audit Committee's Review Report on the 2022 financial statements is submitted for appraisal.

Explanation: Please refer to Attachment 2 (page 11) of this handbook for the Audit Committee's Review Report.

Proposal 3 (Proposed by the Board of Directors)

Cause of action: Proposal of Amend part of the "Rules of Procedure of the Board of Directors" of the Company is hereby submitted for your review.

Explanation: Please refer to the Attachment 3. of the manual (page 12) for basis and revise of the comparison table of provisions.

Proposal 4 (Proposed by the Board of Directors)

Cause of action: Proposal of Accumulated Losses Reaching One-Half of Paid-in Capital is hereby submitted for your review.

Explanation:

- I. As of December 31, 2022, the Company's cumulative loss totaled NT\$579,363,789, which exceeded half of the paid-in capital of NT\$1,032,082,000. The cumulative loss is reported to the shareholders' meeting in accordance with Article 211 of the Company Act.

[Ratifications]

Proposal 1 (Proposed by Board of Directors)

Cause of action: The 2022 Business Report and financial statements are submitted for ratification.

Explanation: I. The 2022 Consolidated Financial Statements and Parent Company Only Financial Statements were approved by the Board of Directors. The Consolidated Financial Statements and Parent Company Only Financial Statements were audited by Company Ernst & Young Accounting Firm, and sent the Audit Committee to audit and conclude the matter, and issue an audit report on the record.

- II. Please refer to Attachment 1 (page 8) of the manual and Attachment 4 (page 14-31) for Tables of Final Accounts.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Cause of action: 2022 Deficit Compensation Proposal is hereby submitted for ratifications.

Explanation: I. The deficit to be covered is NT\$481,390,637 in the Company at the beginning of 2022, plus the net losses after tax of the year is NT\$98,817,110 and other comprehensive income (the remeasure number of defined benefit plan) is NT\$843,958. The losses to be covered at the end of the period is NT\$579,363,789.

- II. Please refer to the Attachment 5 (page 32) for the 2022 Deficit Compensation Statement.
III. There were still deficits to be covered in 2022, so the shareholders' dividends had not yet issued.

Resolution:

[Discussions]

Proposal 1 (Proposed by Board of Directors)

Cause of action: Amendments to the certain provisions of the “Procedures for the Acquisition and Disposal of Assets” are hereby submitted for discussion.

Explanation: I. According to the Jin-Guan-Zheng Zi No. 1110380465 issued on January 28, 2022, the standards for the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” are issued, and the certain provisions of the "Procedures for the Acquisition and Disposal of Assets" of the Company are amended.

II. Please refer to the Attachment 6 of the manual (page 33) for revise of the comparison table of provisions.

Resolution:

[Elections]

(Proposed by the Board of Directors)

Cause of action: The by-election of the two independent directors is hereby called. Please proceed with voting.

- Explanation: I. To meet the requirements in “Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board’s Exercise of Powers for companies listed on TWSE and companies listed on TPEX with a capital of more than NT\$600 million, which states that where the chairman of the board of directors and the president or person of an equivalent post are the same person, spouses or relations within the first degree of kinship, not less than four independent directors shall be established before 31 December 2023...”, the Company shall hold a by-election for one independent director in the 2023 shareholders’ meeting.
- II. According to the resolution of the 5th meeting of the 10th Board of Directors (March 23, 2023) for the resignation and by-election of an independent director, the Company shall hold by-elections for two independent directors in the 2023 shareholders’ meeting.
- III. The term of the newly elected independent directors shall start from the date of election and end on June 13, 2025 at the end of the original term of office.
- IV. The election shall be processed in accordance with the Company’s “Procedures for Election of Directors”.
- V. The election of the Company’s directors shall be based on the candidate nomination system. Shareholders shall vote for directors in the Directors and Independent Directors Candidates List. Refer to Attachment 7 (page 58) the Directors and Independent Directors Candidates List and related information.

Voting Results:

[Other proposals]

(Proposed by the Board of Directors)

Cause of action: Termination of the restrictions on the non-competing clauses for the new directors of the Company. Please proceed to review.

- Explanation: I. According to Article 209 of the Company Act, directors who act for themselves or others within the company's business scope shall explain the important content of their actions to and obtain permission from the shareholders' meeting.
- II. To meet business requirements, the Company's directors, corporate directors, and their deputies may engage in businesses for themselves or others within the scope of the Company's businesses and the restrictions in Article 209 of the Company Act shall not apply. The Company therefore requests the approval of the shareholders' meeting to remove the non-compete clause for directors, corporate directors, and their representatives.
- III. Permitted duration of competitive businesses: Term of the 10th Board of Directors.
- IV. The list of positions in other companies within the scope of the Company's business held by candidates for independent directors to be elected in the 2023 shareholders' meeting is as follows:

Name of director	Name of company/institution in which the candidate concurrently serves	Title of concurrent service
Ya-Hsuan Wang	Julianne Fine Art Ltd.	Chairman
	Chengtai Electronics (Wujiang) Co., Ltd.	Chairman/President
	Videosoft Global Co., Ltd.	Chairman
	Unionwide Construction Co., Ltd.	Director
	LUNG HWA ELECTRONICS CO., LTD.	Director/President
	Clover Hi-Tech Corp.	Supervisors

Resolution:

[Extraordinary Motions]

[Adjournment]

[Attachment 1]

Proposal of 2022 Business Report

Dear shareholders:

Looking back on the year 2022, the global economy continued to face the impact of variant viruses, the Russia-Ukraine War, high inflation and climate change, and multiple pressures such as the simultaneous rise of raw materials, severe fluctuations in the international currency market and continuous interest rate hikes by the Federal Reserve. The economic environment and market were highly volatile and uncertain. In this severe moment, Super Dragon team still sticks to their positions and faces internal and external challenges together with unremitting efforts.

The Company's 2022 operating results and future expectations are described respectively as follow:

I. The 2022 Operating Results

(I) Business plan implementation results and financial revenue and expenditure, profitability:

The operating income in 2022 decreased by 21.7% compared to 2021 mainly due to the decrease in the sales of precious metals and gold salt products, which also led to a simultaneous decline in gross operating profit in 2022. However, the net loss before (after) tax for 2022 was similar to that of 2021 and did not expand. The consolidated and individual financial statements are summarized below:

Unit: NT\$ / Thousand		
Consolidated Financial Report Items	2022	2021
Operating revenue	1,161,908	1,484,248
Gross profit (loss)	1,339	10,201
Operating (loss)	(99,554)	(86,351)
Net profit (loss) before tax	(98,817)	(98,387)
Net profit (loss) after tax	(98,817)	(98,387)
Earnings (losses) per share (NTD)	(0.96)	(0.95)

Unit: NT\$ / Thousand		
Standalone Financial Report Items	2022	2021
Operating revenue	1,118,454	1,409,273
Gross profit (loss)	(717)	(12,459)
Operating (loss)	(81,421)	(84,048)
Net profit (loss) before tax	(98,817)	(98,383)
Net profit (loss) after tax	(98,817)	(98,383)
Earnings (losses) per share (NTD)	(0.96)	(0.95)

(II) Implementation of budget

The Company had no financial forecasting in 2022.

(III) Research and development

The global industrial supply chain is undergoing a series of restructuring and upgrade. "Huanke Plant" was built with the Company's continuous investments over many years and was completed and inaugurated by the end of 2021. The important achievements are as follows:

1. Activation of the new automatic production process for gold salt:

We produce high-purity, high-quality gold salt products with the new automated process, which readily meets the requirements of customers in their electroplating processes.

2. Enhance the research and development of waste recycling technologies:

We continue to invest in purification technologies and add new metal recycling and other recycling items to develop "urban mines".

3. Introduction of advanced waste liquid processing technologies:

By upholding our goal of "establishing processes with zero waste liquid and a recycling and reuse system", we successfully incorporated the MVR waste liquid treatment technology and planned to provide services to customers in the second half of 2022.

4. Technical partnerships and development of new eco-friendly composite materials:

We use partnerships between the industry, government, and academia to produce new low-carbon eco-friendly renewable materials from waste containing different materials through innovative formulas and technologies. They solve the problem of disposal and treatment in the resource recycling industry, facilitate the reuse of waste resources, and can be used for high-strength construction materials and military industries in the future.

II. Outline of operating plan in 2023

(I) Business guideline

The rapid changes of high-tech products have made waste disposal increasingly difficult. Super Dragon Technology will continue to uphold our commitment to improve technologies and the main business strategies for 2023 are as follows:

1. Implement reasonable organizational structure and streamline human resources to increase the performance and efficiency of the organization.
2. Enhance the recycling of hybrid metals and waste electronics products to turn scraps into materials and support waste and carbon reduction.
3. Launch the high-efficiency waste liquid treatment services to attain “zero effluents and circular use”.
4. Establish a solid waste treatment ecosystem with technical partners and find ways to reuse solid waste.
5. Expand into energy conservation, energy storage, and energy generation businesses to create an engine of growth for green energy in the circular economy and technological developments.
6. Actively reduce inventory and revitalize the value of assets to create positive cash flow and reduce financial burdens.
7. Focus on the circular economy and continue to develop new eco-friendly technologies, new energy, new partnerships, and new business models. Concentrate and transform operations based on the framework of four major production lines, four major platforms, and one center.

(II) Major production and marketing policies

1. Enhance the detection capacity, implement cost control, and quality management to provide customers with satisfying services.
2. Target customers of waste liquid treatment businesses that have high technical difficulties and stable volumes of waste to be processed.
3. Form alliances with strategic partners to increase the number of solid waste items for treatment and enhance the refining capabilities.
4. Develop recycling product applications and turn “scraps” into materials for customers.
5. Transform the professional roles for 5N gold salt production and OEM and expand the production capacity utilization rate to increase the value of products.
6. Set up the pilot production lines a mass production lines for new eco-friendly composite materials to expand the Company’s product portfolio.

Global awareness of environmental protection has increased and environmental issues have become important topics of discussion. Government regulations on environmental protection have become increasingly stringent as they strengthen enforcement. Due to the recent international development trends that emphasize the importance of sustainability, relevant laws and regulations and institutional amendments will become more conducive to the expansion of the environmental protection industry.

The Company’s head office and Plant 3 are located in the Environmental Science & Technology Park. Our corporate mission is to become “a service company needed by the society” and our goal is to recycle and reuse resources. We continue to improve waste processing technologies and capabilities for refining precious metals. We invest in equipment to expand operations, help companies implement environmental governance, and build a society with a sustainable cycle of resources.

The Company also implements the circular economy in different ways by actively participating in the transformation of Taiwan’s green economy and joint promotion of sustainable development. We set up solar PV equipment in areas of the Company that can be effectively used and we will also install grid-connected energy storage equipment to support Taipower’s electricity ancillary service, join Taipower’s Energy Trading Platform, and work with the government to develop renewable energy.

The Company will continue to work on improving technologies and increasing the scale of production to maximize returns for all shareholders of the Company. We hereby express our gratitude to shareholders for your long-term support and encouragement.

Super Dragon Technology Co., Ltd.
Chairman-cum-President Chieh-Hsin Wu



Chief Accounting Officer Cheng Tuan-Mu



[Attachment 2]

**Super Dragon Technology Co., Ltd.
Audit Committee's Review Report**

The Board of Directors has prepared the 2022 Business Report, financial statements, and the proposal for making up for losses, among which the financial statements were audited by Ernst & Young Accounting Firm, by whom an audit report was issued. We have reviewed the above business report, financial statements, and the proposal for making up for losses, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with related regulations in the Securities and Exchange Act and the Company Act. Please proceed to review it.

Super Dragon Technology Co., Ltd.

Convener of the Audit Committee:



Shih-Chun Ho

March 23, 2023

[Attachment 3]

Super Dragon Technology Co., Ltd. Comparison Table for the Amendments of the “Rules of Procedure for Board of Directors Meetings”

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
Article 3	<p>(Convening board meetings and meeting notifications) The first item and the second item: Omitted</p> <p>The notice set forth in the preceding paragraph may be effected by means of electronic transmission, after obtaining prior consent from the recipients thereof.</p> <p>All matters set out in the subparagraphs of Article 12, paragraph 1, should be specified in the notice of the reasons for calling a board meeting; none of them may be raised by an extraordinary motion.</p>	Article 3	<p>(Convening board meetings and meeting notifications) The first item and the second item: Omitted</p> <p>The notice set forth in the preceding paragraph may be effected by means of writing, e-mail, and fax transmission, after obtaining prior consent from the recipients thereof.</p> <p>All matters set out in the subparagraphs of Article 12, paragraph 1, except emergencies or justifiable reasons, should be specified in the notice of the reasons for calling a board meeting; none of them may be raised by an extraordinary motion.</p>	Revised in accordance with “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” of Financial Supervisory Commission.
Article 12	<p>(Items that must be discussed by the Board of Directors) The Company should submit the following items for discussion by the Board of Directors:</p> <p>I. The Company’s business plan. II. Annual Financial Reports and Semi-Annual Financial Reports. However, semi-annual financial reports that do not need to be audited and approved by accountants according to law should not be subject to this restriction. III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act Securities and Exchange Act, and <u>an assessment of the effectiveness of the internal control system.</u> IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. V. The offering, issuance, or private placement of any equity-type securities. <u>VI. If the Board of Directors does not have Managing Directors, the election or discharge of the Chairperson of the Board of Directors.</u> VII. The appointment or discharge of a financial, accounting, or internal audit officer. VIII. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board meeting for retroactive recognition. IX. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders’ meeting or board meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-</p>	Article 12	<p>(Items that must be discussed by the Board of Directors) The Company should submit the following items for discussion by the Board of Directors:</p> <p>I. The Company’s business plan. II. Annual Financial Reports and Semi-Annual Financial Reports. However, semi-annual financial reports that do not need to be audited and approved by accountants according to law should not be subject to this restriction. III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Act Securities and Exchange Act. IV. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others. V. The offering, issuance, or private placement of any equity-type securities. VI. The appointment or discharge of a financial, accounting, or internal audit officer. VII. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board meeting for retroactive recognition. VIII. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders’ meeting or board meeting, or any such significant matter as may be prescribed by the competent authority.</p> <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-</p>	Revised in accordance with “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” of Financial Supervisory Commission.

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	<p>related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>Omitted hereinafter.</p>		<p>related party" means any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</p> <p>Omitted hereinafter.</p>	
Article 20	<p>The first amendment of the Regulations was registered on March 20, 2018. The second amendment of the Regulations was registered on May 5, 2020. <u>The third amendment of the Regulations was registered on November 9, 2022.</u></p>	Article 20	<p>The first amendment of the Regulations was registered on March 20, 2018. The second amendment of the Regulations was registered on May 5, 2020.</p>	Record the date of revision.

[Attachment 4]

Independent Auditors' Report

Super Dragon Technology Co., Ltd. is hereby submitted for your review.

Audit opinion

The Consolidated Balance Sheets of Super Dragon Technology Co., Ltd. and its subsidiaries as of December 31, 2022 and December 31, 2021, and the Consolidated Comprehensive Profit and Loss Statement, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the periods from January 1 to December 31, 2022 and January 1 to December 31, 2021, And the Notes to the Consolidated Financial Statements (including the summary of significant accounting policies) have been verified by the Accountant.

In the opinion of the Accountant, the above Consolidated Financial Statements have been prepared in all material respects in accordance with Financial Reporting Standards for Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations and explanatory notices approved and issued in force by the Financial Regulatory Commission. It is sufficient to express the consolidated financial position of Super Dragon Technology Co., Ltd. and its subsidiaries as of December 31, 2022 and December 31, 2021, and the consolidated financial performance and consolidated cash flows of Super Dragon Technology Co., Ltd. from January 1 to December 31, 2022 and January 1 to December 31, 2021.

Basis of Audit Opinion

The Accountant perform the audit work in accordance with Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and Audit Standard. The responsibilities of the Accountant under these standards will be further explained in the section of the accountant's responsibilities for checking the financial statements. In accordance with the professional ethics code of accountants, the staff of the firm to which the Accountant belongs has maintained independence from Super Dragon Technology Co., Ltd. and its subsidiaries, and fulfilled other responsibilities under the code. The Accountant believes that sufficient and appropriate audit evidence has been obtained to form a basis for the audit opinion.

Key audit items

Key audit items refer to the items that are the most important in the audit of the 2022 Consolidated Financial Statements of Super Dragon Technology Co., Ltd. and its subsidiaries in accordance with the professional judgment of the accountant. Such matters have been taken into account in the audit of the consolidated financial statements as a whole and in the formation of the examination opinion, and the Accountant does not express an opinion on such matters alone.

Recognition of revenue

The operating income of Super Dragon Technology Co., Ltd. and its subsidiaries in 2022 is NT \$1,161,908 thousand, which is material to the Consolidated Financial Statements. Due to the complexity and particularity of the transaction of the environmental protection industry operated by the Group and its sales locations including Taiwan, Hong Kong and other multinational markets, As a result, the time and amount of sales revenue recognition are significantly risky, so the accountant decides to list revenue recognition as its key audit item. The audit procedures of the Accountant include (but are not limited to) understanding various sales models, evaluating the reasonability of accounting policies for revenue recognition related to performance obligations under each model, including reviewing the transaction conditions of the parties, testing the effectiveness of internal controls related to the time point of revenue recognition of performance obligations in the sales cycle, and performing detailed tests on selected samples of sales details, including checking the original orders or sales contracts of major customers and other sales documents, reviewing the transaction conditions and confirming whether the revenue recognition time of each performance obligation is consistent with the performance obligations and satisfaction time set forth in the contract or order, and performing the verification procedures such as sales revenue cut-off test and significant sales return and discount after the review period for a period of time before and after the balance sheet date. The accountant also considers the appropriateness of the disclosure of operating income in Notes 4 and 6 to the Consolidated Financial Statements.

Valuation of inventories

The net inventory of Super Dragon Technology Co., Ltd. and its subsidiaries as of December 31, 2022 was NT\$447,366 thousand, accounting for 16% of the total assets, which is material to the Consolidated Financial Statements. As most of the inventories are gold, platinum and silver, in addition to the complex management of asset preservation and the need for close control, these precious metals are vulnerable to frequent and large price changes in the international market, and their inventory storage patterns are also diversified. These factors affect the complexity of the calculation of net realization and involved management personnel's judgement. Therefore, the Accountant has determined that valuation of inventory is a key audit item. The audit procedures of the accountant include (but are not limited to) the execution of the evaluation of the inventory plan of the management level, the selection of major inventory items to test the effective implementation of its internal control and the confirmation of inventory quantity and status. Select samples to test and evaluate the net realized value estimated by management personnel for valuation of inventory (including the determination of inventory quantity in process), etc. The accountant also considers the appropriateness of the disclosure of inventory in Notes 5 and 6 to the Consolidated Financial Statements.

Responsibilities of management personnel and governance unit for Consolidated Financial Statements

It is the responsibility of management personnel to prepare Consolidated Financial Statements as may be expressed in accordance with the financial reporting standards of securities issuers and international Financial Reporting Standards, International Accounting Standards, interpretations and explanatory notices approved and issued by the Financial Supervisory Commission, and to maintain the necessary internal control related to the preparation of Consolidated Financial Statements. To ensure that the Consolidated Financial Statements are free from material misrepresentation due to fraud or error.

In preparing the consolidated financial statements, management's responsibility also includes evaluating the ability of Super Dragon Technology Co., Ltd. and its subsidiaries to continue as a going concern, disclosure of related matters, and adoption of a going concern accounting basis, unless management intends to liquidate Super Dragon Technology Co., Ltd. and its subsidiaries or cease business, or no practicable alternative other than liquidation or suspension of business.

The governance unit of Super Dragon Technology Co., Ltd. and its subsidiaries should be responsible for supervising the process of financial reporting.

Accountant's responsibilities of auditing the Consolidated Financial Statements

The purpose of Accountant's audit of the Consolidated Financial Statement is to obtain reasonable assurance as to whether the Consolidated Financial Statement as a whole certain material misrepresentations due to fraud or error, and to issue a verification report. Reasonable assurance is a high degree of assurance, but there is no guarantee that an audit conducted in accordance with the audit standards will detect a material misrepresentation in the consolidated financial statements. Misrepresentation may lead to fraud or error. Misrepresentations of individual amounts or aggregate amounts are considered material if they can reasonably be expected to affect economic decisions made by users of the Consolidated Financial Statements.

The Accountant uses professional judgement and professional skepticism when auditing in accordance with Auditing Standards. The Accountant also performs the following duties:

1. Identify and assess the risk of material misrepresentation due to fraud or error in the Consolidated Financial Statements; Design and implement appropriate responses to the risks assessed; And obtain sufficient and appropriate audit evidence to form a basis for the audit opinion. Because fraud may involve collusion, forgery, willful omission, misrepresentation, or overstepping internal controls, the risk of failing to detect material misrepresentation due to fraud is higher than that due to error.
2. Obtain the necessary understanding of the internal controls relevant to the audit in order to design audit procedures appropriate for the circumstances, provided that the purpose is not to express an opinion on the effectiveness of the internal controls of Super Dragon Technology Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of the accounting policies, and the reasonability of accounting estimate and related disclosure which the management personnel adopted.
4. According to the obtained audit evidence, conclude the appropriateness of management personnel's adoption of the accounting basis for a going concern, and conclude the events or conditions whether there is a material uncertainty about the ability of Super Dragon Technology Co., Ltd. and its subsidiaries to continue as a going concern. In the opinion of the Accountant, if there is material uncertainty of the event and condition, I should alert users of the Consolidated Financial Statements to the relevant disclosure of Consolidated Financial

Statements in the audit report or amend the audit opinion if such disclosure is inappropriate. The conclusions of the Accountant is based on the audit evidence available as of audit report date. However, future events or conditions may cause Super Dragon Technology Co., Ltd. and its subsidiaries to no longer be able to continue as a going concern.

5. Evaluate whether the related transaction and events in the overall expression, structure and content of Consolidated Financial Statements (including related Notes), and Consolidated Financial Statements are expressed appropriately.
6. Obtain the adequate and appropriate audit evidence of the consolidated financial information to issue the opinions about the Consolidated Financial Statements. The accountant is responsible for the guidance, supervision and execution of group audit cases, and the formation of group audit opinions.

The matters communicated by the accountant with the governing unit include the planned scope and timing of the audit and significant audit findings (including significant lack of internal control identified during the audit).

The accountant also provides the governing unit with a statement that the personnel of the accounting firm subject to the independence code have complied with the Independence Code of Professional Ethics for Accountants, and communicates with the governing body all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of accountants.


Based on the matters communicated with the governance unit, the Accountant decides the key matters for the audit of the 2022 consolidated financial statements of Super Dragon Technology Co., Ltd and its subsidiaries. The Accountant states such matters in the audit report, unless public disclosure of a particular matter is prohibited by statute, or in very rare circumstances, the Accountant decides not to communicate a particular matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the public interest enhanced.

Others

Super Dragon Technology Co., Ltd. has prepared the Parent Company Only Financial Reports of 2022 and 2021, and the accountant has issued the unqualified opinion audit report for reference.

Ernst & Young Accounting Firm
The competent authority approve the public issuance of the Company's financial reports
Audit Document No.: (2014) Jin Guan Zheng Shen Zi No. 1030025503
(1998) Tai Cai Zheng (VI)No. 65315

Ching-Piao, Cheng

鄭清樺 

Certified Public Accountant:

Mao-I, Hung

洪其茂 

March 23, 2023

Super Dragon Technology Co., Ltd. and Its Subsidiaries
Consolidated balance sheet
December 31, 2022 and 2021
(Unit: NTS thousand)



Code	Assets		December 31, 2022		December 31, 2021	
	Account title	Note	Amount	%	Amount	%
1100	Cash and cash equivalents	4 and 6.1	\$185,797	6	\$136,404	5
1136	Financial assets at amortized cost	4, 6.4, and 8	87,314	3	86,274	3
1150	Notes receivable, net	4 and 6.5	-	-	1,262	-
1170	Accounts receivable, net	4 and 6.6	29,907	1	29,824	1
1200	Other receivables		7,282	-	190	-
1310	Inventory, net	4 and 6.7	447,366	16	473,161	17
1410	Prepayments		6,649	-	44,953	2
1470	Other current assets		3,014	-	3,686	-
11xx	Total current assets		767,329	26	775,754	28
1517	Financial assets at fair value through other comprehensive income	4 and 6.3	9,333	-	3,333	-
1513	Financial assets at amortized cost	4, 6.4, and 8	588	-	-	-
1550	Investments using the equity method	4 and 6.8	14,684	1	-	-
1600	Property, plant and equipment	4, 6.9, and 8	1,937,342	68	1,922,259	67
1755	right-of-use asset	4, 6.22, and 7	23,523	1	7,591	-
1760	Investment Property	4, 6.10, and 8	59,269	2	61,474	2
1840	Deferred tax assets	4 and 6.26	22,038	1	22,056	1
1900	Other non-current assets	6.11 and 8	35,063	1	69,855	2
15xx	Total non-current assets		2,101,840	74	2,086,568	72
1xxx			\$2,869,169	\$100	\$2,862,322	100

(See notes to consolidated financial statements)

Chairman: Chieh-Hsin Wu



Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu



Super Dragon Technology Co., Ltd. and Its Subsidiaries
Consolidated Balance Sheet (continued)

December 31, 2022 and 2021

(Unit: NTS thousand)

Liabilities and equity			December 31, 2022		December 31, 2021	
Code	Account title	Note	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4, 6.12, and 8	\$720,000	25	\$611,973	21
2150	Notes payable		17,320	1	14,235	-
2170	Accounts payable		29,196	1	35,118	1
2200	Other payables	4 and 6.13	42,804	2	46,733	2
2280	Lease liabilities	4 and 6.22	5,743	-	-	-
2300	Other current liabilities	4 and 6.14	5,648	-	5,886	-
2320	Long-term borrowings due within one year or one business cycle	6.17	76,689	3	73,615	3
21xx	Total current liabilities		897,400	32	787,560	27
	non-current liabilities					
2540	Long-term borrowings	6.17 and 8	526,267	18	559,673	20
2570	Deferred tax liabilities	4 and 6.26	5,753	-	5,265	-
2580	Lease liabilities	4 and 6.22	9,460	-	-	-
2600	Other non-current liabilities	4, 6.15, and 6.16	33,854	1	17,440	1
25xx	Total non-current liabilities		575,334	19	582,378	21
2xxx	Total liabilities		1,472,734	51	1,369,938	48
31xx	Equity attributable to owners of parent company					
3100	Share capital	6.19				
3110	1,512,000		1,032,082	36	1,032,082	36
3200	Additional paid-in capital	6.19	958,405	34	958,405	33
3300	Retained earnings	6.19				
3350	Undistributed earnings (deficit to be offset)		(579,364)	(20)	(481,391)	(17)
3400	Other equity		(14,688)	(1)	(16,712)	-
3xxx	Total equity		1,396,435	49	1,492,384	52
	Total liabilities and equity		\$2,869,169	100	\$2,862,322	100

(See notes to consolidated financial statements)

Chairman: Chieh-Hsin Wu



Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu



Super Dragon Technology Co., Ltd. and Its Subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2022 and 2021
(Unit: NTS thousand, except for earnings per share)

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.20	\$1,161,908	100	\$1,484,248	100
5000	Operating cost		(1,160,569)	(100)	(1,474,047)	(99)
5900	Gross profit (loss)		1,339	-	10,201	1
6000	Operating expenses					
6100	Selling expense		(5,507)	-	(4,697)	-
6200	Administrative expenses		(92,962)	(8)	(88,225)	(6)
6300	Research and development expenses		(2,424)	-	(4,285)	-
6450	Expected credit impairment (loss) gain		-	-	655	-
	Total operating expenses		(100,893)	(8)	(96,552)	(6)
6900	Operating loss		(99,554)	(8)	(86,351)	(5)
7000	Non-operating income and expenses					
7010	Other income	6.24	16,873	2	14,398	1
7020	Other gains and losses	6.24 and 10	4,297	-	(12,441)	(1)
7050	Financial costs	6.24	(20,117)	(2)	(13,993)	(1)
7070	Share of profit or loss of associates or joint ventures recognized using the equity method		(316)	-	-	-
	Total non-operating income and expenses		737	-	(12,036)	(1)
7900	Net profit (loss) before tax		(98,817)	(8)	(98,387)	(6)
7950	Income tax benefit (expense)	4 and 6.26	-	-	-	-
8200	Net income (loss) for this period		(98,817)	(8)	(98,387)	(6)
8300	Other comprehensive income	6.25				
8310	Items not reclassified to profit or loss					
8311	Remeasurement of the defined benefit plan		844	-	2,720	-
8360	Items that may be subsequently reclassified to profit or loss					
8361	Exchange differences arising from the translation of the financial statements of foreign operations		2,530	-	(1,262)	-
8399	Income taxes related to components of other comprehensive income		(506)	-	252	-
	Other comprehensive income for this period (net of tax)		2,868	-	1,710	-
8500	Total comprehensive income for this period		\$(95,949)	(8)	\$(96,677)	(6)
8600	Net income (loss) attributable to:					
8610	Owners of the parent company		\$(98,817)	(8)	\$(98,383)	(6)
8620	Non-controlling interests		-	-	(4)	-
			\$(98,817)	(8)	\$(98,387)	(6)
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company		\$(95,949)	(8)	\$(96,673)	(6)
8720	Non-controlling interests		-	-	(4)	-
			\$(95,949)	(8)	\$(96,677)	(6)
9750	Basic earnings (losses) per share (NTD)	6.27	\$(0.96)		\$(0.95)	
9850	Diluted earnings (losses) per share (NTD)	6.27	\$(0.96)		\$(0.95)	

(See notes to consolidated financial statements)

Chairman: Chieh-Hsin Wu



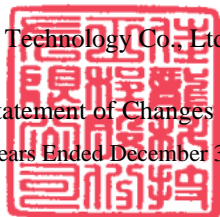
Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu



Super Dragon Technology Co., Ltd. and Its Subsidiaries



Statement of Changes in Equity
For the Years Ended December 31, 2022 and 2021

(Unit: NT\$ thousand)

Code	Item	Equity attributable to owners of parent company					Non-controlling interests	Total equity
		Share capital	Additional paid-in capital	Retained earnings	Other equity items	Total		
				Undistributed earnings (deficit to be offset)	Exchange differences arising from the translation of the financial statements of foreign operations			
3100	3200	3350	3410	31XX	36XX	3XXX		
A1	Balance on January 1, 2021	\$1,032,082	\$958,405	\$(385,728)	\$(15,702)	\$1,589,057	\$222	\$1,589,279
D1	Net loss for 2021			(98,383)		(98,383)	(4)	(98,387)
D3	Other comprehensive income for 2021			2,720	(1,010)	1,710		1,710
M7	Changes in ownership interests in subsidiaries						(218)	(218)
Z1	Balance on December 31, 2021	1,032,082	958,405	(481,391)	(16,712)	1,492,384	-	1,492,384
D1	Net loss for 2022			(98,817)		(98,817)		(98,817)
D3	Other comprehensive income for 2022			844	2,024	2,868		2,868
Z1	Balance on December 31, 2022	\$1,032,082	\$958,405	\$(579,364)	\$(14,688)	\$1,396,435	\$-	\$1,396,435

Chairman: Chieh-Hsin Wu



(See notes to consolidated financial statements)
Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu



Super Dragon Technology Co., Ltd. and Its Subsidiaries
Cash Flow Statement

For the Years Ended December 31, 2022 and 2021

(Unit: NTS thousand)

Code		2022	2021	Code		2022	2021
AAAA	Cash flow of operating activities:			BBBB	Cash flow of investing activities:		
A10000	Net loss before tax	\$(98,817)	\$(98,387)	B00010	Acquisition of financial assets at fair value through other comprehensive income	(6,000)	-
A20000	Adjustments:			B00060	Decrease (increase) in financial assets at amortized cost	(1,628)	(57,374)
A20010	Income or expenses that do not affect cash flows:			B01800	Acquisition of investments using the equity method	(15,000)	-
A20100	Depreciation expenses (including investment property and right-of-use assets)	60,528	53,599	B02200	Acquisition of subsidiaries (net of cash acquired)	-	(218)
A20300	Expected credit impairment (gain) loss	-	(655)	B02700	Acquisition of property, plant and equipment	(39,960)	(99,514)
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	-	5,705	B02800	Disposal of property, plant and equipment	47	-
A20900	Interest expense	20,117	13,993	B03800	Decrease (increase) in guarantee deposits paid	(3,860)	(8,740)
A21200	Interest income	(1,886)	(595)	BBBB	Net cash inflows (outflows) from investing activities	(66,401)	(165,846)
A21300	Dividend income	(277)	(265)				
A22300	Share of loss (profit) of associates or joint ventures recognized using the equity method	316	-	CCCC	Cash flow of financing activities:		
A22500	Gain on disposal of property, plant and equipment	(47)	-	C00100	(Repayment of) short-term borrowings	108,027	(78,027)
A29900	Government grants	(207)	(208)	C01600	Long-term borrowings	82,580	210,000
A30000	Changes in assets/liabilities related to operating activities:			C01700	Repayment of long-term borrowings	(112,912)	(73,615)
A31110	Decrease (increase) in financial assets held for trading	-	(4,678)	C03000	Increase (decrease) in guarantee deposits received	-	(4,000)
A31130	Decrease (increase) in notes receivable	1,262	(1,173)	C04020	Repayment of lease principal	(2,595)	-
A31150	Decrease (increase) in accounts receivable	(83)	(15,296)	CCCC	Net cash inflows (outflows) from financing activities	75,100	54,358
A31180	Decrease (increase) in other receivables	(118)	367				
A31200	Decrease (increase) in inventory, net	25,795	164,272	DDDD	Effects of changes in exchange rates	1,588	(866)
A31230	Decrease (increase) in prepayments	38,304	(41,432)				
A31240	Decrease (increase) in other current assets	672	3,668	EEEE	Increase (decrease) in cash and cash equivalents during this period	49,393	(27,634)
A32130	Increase (decrease) in notes payable	3,085	7,821	E00100	Opening balance of cash and cash equivalents	136,404	164,038
A32150	Increase (decrease) in accounts payable	(5,922)	27,761	E00200	Ending balance of cash and cash equivalents	\$185,797	\$136,404
A32180	Increase (decrease) in other payables	(3,256)	1,678				
A32230	Increase (decrease) in other current liabilities	(238)	(7,541)				
A32240	Increase (decrease) in net defined benefit liability	7,765	(10,892)				
A32250	Increase (decrease) in deferred credits	9,700	-				
A33000	Cash inflows (outflows) from operations	56,693	97,742				
A33100	Interest received	1,886	595				
A33200	Dividends received	277	265				
A33300	Interest paid	(19,903)	(13,993)				
A33500	Income taxes paid	153	111				
AAAA	Net cash inflows (outflows) from operating activities	39,106	84,720				

(See notes to consolidated financial statements)

Chairman: Chieh-Hsin Wu



Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu



Independent Auditors' Report

Super Dragon Technology Co., Ltd. is hereby submitted for your review.

Audit opinion

The Parent Company Only Balance Sheets of Super Dragon Technology Co., Ltd. as of December 31, 2022 and December 31, 2021, and the Parent Company Only Comprehensive Profit and Loss Statement, Parent Company Only Statement of Changes in Equity and Parent Company Only Statement of Cash Flows for the periods from January 1 to December 31, 2022 and January 1 to December 31, 2021, And the Notes to the Parent Company Only Financial Statements (including the summary of significant accounting policies) have been verified by the Accountant.

In the opinion of the Accountant, the above Parent Company Only Financial Statements have been prepared in all material respects in accordance with Financial Reporting Standards for Securities Issuers. It is sufficient to express the Parent Company Only financial position of Super Dragon Technology Co., Ltd. and its subsidiaries as of December 31, 2022 and December 31, 2021, and the financial performance and cash flows of Super Dragon Technology Co., Ltd. from January 1 to December 31, 2022 and January 1 to December 31, 2021.

Basis of Audit Opinion

The Accountant perform the audit work in accordance with Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and Audit Standard. The responsibilities of the Accountant under these standards will be further explained in the section of the accountant's responsibilities for checking the financial statements. In accordance with the professional ethics code of accountants, the staff of the firm to which the Accountant belongs has maintained independence from Super Dragon Technology Co., Ltd., and fulfilled other responsibilities under the code. The Accountant believes that sufficient and appropriate audit evidence has been obtained to form a basis for the audit opinion.

Key audit items

Key audit items refer to the items that are the most important in the audit of the 2022 Parent Company Only Financial Statements of Super Dragon Technology Co., Ltd. in accordance with the professional judgment of the accountant. Such matters have been taken into account in the audit of the Parent Company Only Financial Statements as a whole and in the formation of the examination opinion, and the Accountant does not express an opinion on such matters alone.

Recognition of revenue

The operating income of Super Dragon Technology Co., Ltd. in 2022 is NT \$1,118,454 thousand, which is material to the Parent Company Only Financial Statements. Due to the complexity and particularity of the transaction of the environmental protection industry operated by the Company and its sales locations including Taiwan, Hong Kong and other multinational markets, As a result, the time and amount of sales revenue recognition are significantly risky, so the accountant decides to list revenue recognition as its key audit item. The audit procedures of the Accountant include (but are not limited to) understanding various sales models, evaluating the reasonability of accounting policies for revenue recognition related to performance obligations under each model, including reviewing the transaction conditions of the parties, testing the effectiveness of internal controls related to the time point of revenue recognition of performance obligations in the sales cycle, and performing detailed tests on selected samples of sales details, including checking the original orders or sales contracts of major customers and other sales documents, reviewing the transaction conditions and confirming whether the revenue recognition time of each performance obligation is consistent with the performance obligations and satisfaction time set forth in the contract or order, and performing the verification procedures such as sales revenue cut-off test and significant sales return and discount after the review period for a period of time before and after the balance sheet date. The accountant also considers the appropriateness of the disclosure of operating income in Notes 4 and 6 to the Parent Company Only Financial Statements.

Valuation of inventories

The net inventory of Super Dragon Technology Co., Ltd. as of December 31, 2022 was NT\$435,979 thousand, accounting for 15% of the total assets, which is material to the Parent Company Only Financial Statements. As most of the inventories are gold, platinum and silver, in addition to the complex management

of asset preservation and the need for close control, these precious metals are vulnerable to frequent and large price changes in the international market, and their inventory storage patterns are also diversified. These factors affect the complexity of the calculation of net realization and involved management personnel's judgement. Therefore, the Accountant has determined that valuation of inventory is a key audit item. The audit procedures of the accountant include (but are not limited to) the execution of the evaluation of the inventory plan of the management level, the selection of major inventory items to test the effective implementation of its internal control and the confirmation of inventory quantity and status. Select samples to test and evaluate the net realized value estimated by management personnel for valuation of inventory (including the determination of inventory quantity in process), etc. The accountant also considers the appropriateness of the disclosure of inventory in Notes 5 and 6 to the Parent Company Only Financial Statements.

Responsibilities of management personnel and governance unit for Parent Company Only Financial Statements

It is the responsibility of management to prepare Parent Company Only Financial Statements that are permitted to be expressed in accordance with the Financial Reporting Standards of Securities Issuers and to maintain such internal control as is necessary in connection with the preparation of Parent Company Only Financial Statements to ensure that the Parent Company Only Financial Statements are free from material misrepresentation due to fraud or error.

In preparing the Parent Company Only Financial Statements, management's responsibility also includes evaluating the ability of Super Dragon Technology Co., Ltd. to continue as a going concern, disclosure of related matters, and adoption of a going concern accounting basis, unless management intends to liquidate Super Dragon Technology Co., Ltd. or cease business, or no practicable alternative other than liquidation or suspension of business.

The governance unit of Super Dragon Technology Co., Ltd. should be responsible for supervising the process of financial reporting.

Accountant's responsibilities of auditing the Parent Company Only Financial Statements

The purpose of Accountant's audit of the Parent Company Only Financial Statement is to obtain reasonable assurance as to whether the Parent Company Only Financial Statements as a whole contain material misrepresentations due to fraud or error, and to issue a verification report. Reasonable assurance is a high degree of assurance, but there is no guarantee that an audit conducted in accordance with the audit standards will detect a material misrepresentation in the Parent Company Only Financial Statements. Misrepresentation may lead to fraud or error. Misrepresentations of individual amounts or aggregate amounts are considered material if they can reasonably be expected to affect economic decisions made by users of the Parent Company Only Financial Statements.

The Accountant uses professional judgement and professional skepticism when auditing in accordance with Auditing Standards. The Accountant also performs the following duties:

1. Identify and assess the risk of material misrepresentation due to fraud or error in the Parent Company Only Financial Statements; Design and implement appropriate responses to the risks assessed; And obtain sufficient and appropriate audit evidence to form a basis for the audit opinion. Because fraud may involve collusion, forgery, willful omission, misrepresentation, or overstepping internal controls, the risk of failing to detect material misrepresentation due to fraud is higher than that due to error.
2. Obtain the necessary understanding of the internal controls relevant to the audit in order to design audit procedures appropriate for the circumstances, provided that the purpose is not to express an opinion on the effectiveness of the internal controls of Super Dragon Technology Co., Ltd.
3. Evaluate the appropriateness of the accounting policies, and the reasonability of accounting estimate and related disclosure which the management personnel adopted.
4. According to the obtained audit evidence, conclude the appropriateness of management personnel's adoption of the accounting basis for a going concern, and conclude the events or conditions whether there is a material uncertainty about the ability of Super Dragon Technology Co., Ltd. to continue as a going concern. In the opinion of the Accountant, if there is material uncertainty of the event and condition, I should alert users of the Parent Company Only Financial Statements to the relevant disclosure of Parent Company Only Financial Statements in the audit report or amend the audit opinion if such disclosure is inappropriate. The conclusions of the Accountant is based on the audit evidence available as of audit report date. However, future events or

conditions may cause Super Dragon Technology Co., Ltd. to no longer be able to continue as a going concern.

5. Evaluate whether the related transaction and events in the overall expression, structure and content of Parent Company Only Financial Statements (including related Notes), and Parent Company Only Financial Statements are expressed appropriately.
6. Obtain the adequate and appropriate audit evidence of the parent company only financial information to issue the opinions about the Parent Company Only Financial Statements. The accountant is responsible for the guidance, supervision and execution of group audit cases, and the formation of group audit opinions.


The matters communicated by the accountant with the governing unit include the planned scope and timing of the audit and significant audit findings (including significant lack of internal control identified during the audit).

The accountant also provides the governing unit with a statement that the personnel of the accounting firm subject to the independence code have complied with the Independence Code of Professional Ethics for Accountants, and communicates with the governing body all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of accountants.

Based on the matters communicated with the governance unit, the Accountant decides the key matters for the audit of the 2022 Parent Company Only Financial Statements of Super Dragon Technology Co., Ltd. The Accountant states such matters in the audit report, unless public disclosure of a particular matter is prohibited by statute, or in very rare circumstances, the Accountant decides not to communicate a particular matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the public interest enhanced.

Ernst & Young Accounting Firm
The competent authority approve the public issuance of the Company's financial reports
Audit Document No.: (2014) Jin Guan Zheng Shen Zi No. 1030025503
(1998) Tai Cai Zheng (VI)No. 65315

Ching-Piao, Cheng

鄭清樺 

Certified Public Accountant:

Mao-I, Hung

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March 23, 2023



Super Dragon Technology Co., Ltd.
Parent Company Only Balance Sheet

December 31, 2022 and 2021

(Unit: NTS thousand)

Assets			December 31, 2022		December 31, 2021	
Code	Accounting title	Note	amount	%	amount	%
	Current asset					
1100	Cash and cash equivalents	4 and 6.1	\$98,624	4	\$71,859	2
1136	Financial assets at amortized cost	4, 6.4, and 8	86,602	3	85,575	3
1150	Notes receivable, net	4 and 6.5	-	-	1,262	-
1170	Accounts receivable, net	4 and 6.6	29,907	1	29,824	1
1200	Other receivables		152	-	132	-
1310	Inventory, net	4 and 6.7	435,979	15	431,934	15
1410	Prepayments		5,888	-	44,456	2
11XX	Total current assets		657,152	23	665,042	23
	non-current assets					
	Financial assets at fair value through other comprehensive income					
1517	income	4 and 6.3	9,333	-	3,333	-
1550	Investments using the equity method	4 and 6.8	322,000	11	335,894	12
1600	Property, plant and equipment	4, 6.9, and 8	1,712,915	61	1,730,296	61
1755	right-of-use asset	4, 6.22, and 7	16,052	1	-	-
1760	Investment Property	4, 6.10, and 8	59,269	2	61,474	2
1840	Deferred tax assets	4 and 6.26	21,938	1	21,956	1
1900	Other non-current assets	6.11 and 8	30,715	1	29,494	1
15XX	Total non-current assets		2,172,222	77	2,182,447	77
1XXX	Total assets		\$2,829,374	100	\$2,847,489	100

Chairman: Chieh-Hsin Wu



(See notes to parent company only financial statements)

Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu





Super Dragon Technology Co., Ltd.
Parent Company Only Balance Sheet (continued)
December 31, 2022 and 2021
(Unit: NTS thousand)

Liabilities and equity			December 31, 2022		December 31, 2021	
Code	Accounting title	Note	amount	%	amount	%
	Current liabilities					
2100	Short-term borrowings	6.12 and 8	\$720,000	25	\$603,000	21
2150	Notes payable		17,320	1	14,235	-
2170	Accounts payable		27,904	1	34,585	1
2200	Other payables	6.13	43,521	2	46,684	2
2220	Other payables - related parties	7	201	-	300	-
2280	Lease liabilities	4 and 6.22	5,743	-	-	-
2300	Other current liabilities	4 and 6.14	75,616	3	74,245	3
21XX	Total current liabilities		890,305	32	773,049	27
	non-current liabilities					
2540	Long-term borrowings	6.17 and 8	503,589	18	559,673	20
2570	Deferred tax liabilities	4 and 6.26	5,753	-	5,265	-
2580	Lease liabilities	4 and 6.22	9,460	-	-	-
2600	Other non-current liabilities	4, 6.15, and 6.16	23,832	1	17,118	1
25XX	Total non-current liabilities		542,634	19	582,056	21
2XXX	Total liabilities		1,432,939	51	1,355,105	48
	Equity attributable to owners of parent company					
3100	Share capital					
3110	Common stock	6.19	1,032,082	36	1,032,082	36
3200	Additional paid-in capital	6.19	958,405	34	958,405	34
3300	Retained earnings	6.19				
3350	Undistributed earnings (deficit to be offset)		(579,364)	(20)	(481,391)	(17)
3400	Other equity		(14,688)	(1)	(16,712)	(1)
3XXX	Total equity		1,396,435	49	1,492,384	52
	Total liabilities and equity		\$2,829,374	100	\$2,847,489	100

(See notes to parent company only financial statements)

Chairman: Chieh-Hsin Wu



Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu



Super Dragon Technology Co., Ltd.
Parent Company Only Statement of Comprehensive Income

For the Years Ended December 31, 2022 and 2021
(Unit: NTS thousand, except for earnings per share)

Code	Item	Note	2022		2021	
			Amount	%	Amount	%
4000	Net operating revenue	4 and 6.20	\$1,118,454	100	\$1,409,273	100
5000	Operating cost		(1,119,171)	(100)	(1,421,732)	(101)
5900	Gross profit (loss)		(717)	-	(12,459)	(1)
6000	Operating expenses					
6100	Selling expense		(5,342)	-	(4,121)	-
6200	Administrative expenses		(72,938)	(7)	(63,838)	(5)
6300	Research and development expenses		(2,424)	-	(4,285)	-
6450	Expected credit impairment (loss) gain	4 and 6.21	-	-	655	-
	Total operating expenses		(80,704)	(7)	(71,589)	(5)
6900	Operating income (loss)		(81,421)	(7)	(84,048)	(6)
7000	Non-operating income and expenses	6.24				
7010	Other income		14,028	1	12,847	1
7020	Other gains and losses		4,603	-	(12,439)	(1)
7050	Financial costs		(19,603)	(2)	(13,873)	(1)
7070	Share of profit or loss of subsidiaries, associates, or joint ventures recognized using the equity method		(16,424)	(1)	(870)	-
	Total non-operating income and expenses		(17,396)	(2)	(14,335)	(1)
7900	Net profit (loss) before tax		(98,817)	(9)	(98,383)	(7)
7950	Tax benefit (expense)	4 and 6.26	-	-	-	-
8200	Net income (loss) for this period		(98,817)	(9)	(98,383)	(7)
8300	Other comprehensive income	6.25				
8310	Items not reclassified to profit or loss					
8311	Remeasurement of the defined benefit plan		844	-	1,965	-
8331	Remeasurement of defined benefit plans of subsidiaries, associates, and joint ventures		-	-	755	-
8360	Items that may be subsequently reclassified to profit or loss					
8381	Exchange differences arising from the translation of the financial statements of foreign operations of subsidiaries, associates, and joint ventures		2,530	-	(1,262)	-
8399	Income taxes related to items that may be reclassified to profit or loss		(506)	-	252	-
	Other comprehensive income for this period (net of tax)		2,868	-	1,710	-
8500	Total comprehensive income for this period		\$(95,949)	(9)	\$(96,673)	(7)
9750	Basic earnings (losses) per share (NTD)	6.27	\$(0.96)		\$(0.95)	
9850	Diluted earnings (losses) per share (NTD)		\$(0.96)		\$(0.95)	

Chairman: Chieh-Hsin Wu



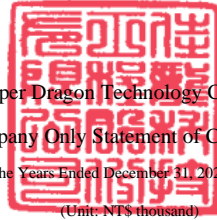
(See notes to parent company only financial statements)

Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu





Super Dragon Technology Co., Ltd.
 Parent Company Only Statement of Changes in Equity
 For the Years Ended December 31, 2022 and 2021
 (Unit: NT\$ thousand)

Code	Item	Share capital	Additional paid-in capital	Retained earnings	Other equity items	Total
				Undistributed earnings (deficit to be offset)	Exchange differences arising from the translation of the financial statements of foreign operations	
		3100	3200	3350	3410	31XX
A1	Balance on January 1, 2021	\$1,032,082	\$958,405	\$(385,728)	\$(15,702)	\$1,589,057
D1	Net loss for 2021			(98,383)		(98,383)
D3	Other comprehensive income for 2021			2,720	(1,010)	1,710
Z1	Balance on December 31, 2021	1,032,082	958,405	(481,391)	(16,712)	1,492,384
D1	Net loss for 2022			(98,817)		(98,817)
D3	Other comprehensive income for 2022			844	2,024	2,868
Z1	Balance on December 31, 2022	<u>\$1,032,082</u>	<u>\$958,405</u>	<u>\$(579,364)</u>	<u>\$(14,688)</u>	<u>\$1,396,435</u>

(See notes to parent company only financial statements)

Chairman: Chieh-Hsin Wu



Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu





Super Dragon Technology Co., Ltd.
Parent Company Only Cash Flow Statement
For the Years Ended December 31, 2022 and 2021
(Unit: NTS thousand)

Code	Item	2022	2021	Code	Item	2022	2021
AAAA	Cash flow of operating activities:			BBBB	Cash flow of investing activities:		
A00010	Net loss before tax	\$(98,817)	\$(98,383)	B00010	Acquisition of financial assets at fair value through other comprehensive income	(6,000)	-
A20000	Adjustments:			B00060	Decrease (increase) in financial assets at amortized cost	(1,027)	(57,377)
A20010	Income or expenses that do not affect cash flows:			B01800	Acquisition of investments using the equity method	-	(218)
A20100	Depreciation expenses (including investment property)	52,539	47,425	B02700	Acquisition of property, plant and equipment	(29,910)	(48,826)
A20300	Expected credit impairment (gain) loss	-	(655)	B03800	Disposal of property, plant and equipment	47	-
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	-	5,705	B03700	Decrease (increase) in guarantee deposits paid	(3,405)	(8,530)
A20900	Interest expense	19,603	13,873		Net cash inflows (outflows) from investing activities	(40,295)	(114,951)
A21200	Interest income	(159)	(101)	CCCC	Cash flow of financing activities:		
A21300	Dividend income	(277)	(265)	C00100	Increase (decrease) in short-term borrowings	117,000	(87,000)
A22300	Share of loss of subsidiaries, associates, or joint ventures recognized using the equity method	16,424	870	C01600	Long-term borrowings	20,100	210,000
A22500	Loss (gain) on disposal of property, plant and equipment	(47)	-	C01700	Repayment of long-term borrowings	(74,844)	(73,615)
A29900	Government grants	(207)	(208)	C03000	Increase (decrease) in guarantee deposits received	-	(4,000)
A30000	Changes in assets/liabilities related to operating activities:			C04020	Repayment of lease principal	(2,595)	-
A31110	Decrease (increase) in financial assets held for trading	-	(4,678)		Net cash inflows (outflows) from financing activities	59,661	45,385
A31130	Decrease (increase) in notes receivable	1,262	(1,173)	EEEE	Increase (decrease) in cash and cash equivalents during this period	26,765	(22,035)
A31150	Decrease (increase) in accounts receivable	(83)	(15,296)	E00100	Opening balance of cash and cash equivalents	71,859	93,894
A31180	Decrease (increase) in other receivables	(140)	389	E00200	Ending balance of cash and cash equivalents	\$98,624	\$71,859
A31200	Decrease (increase) in inventory, net	(4,045)	132,930				
A31230	Decrease (increase) in prepayments	38,568	(41,927)				
A32130	Increase (decrease) in notes payable	3,085	7,931				
A32150	Increase (decrease) in accounts payable	(6,681)	27,752				
A32180	Increase (decrease) in other payables	(2,490)	(7,554)				
A32190	Increase (decrease) in other payables - related parties	(99)	(46)				
A32230	Increase (decrease) in other current liabilities	31	(500)				
A32240	Increase (decrease) in net defined benefit liability	7,765	(5,126)				
A33000	Cash inflows (outflows) from operations	26,232	60,963				
A33100	Interest received	159	101				
A33200	Dividends received	277	265				
A33300	Interest paid	(19,389)	(13,873)				
A33500	Income taxes paid	120	75				
AAAA	Net cash inflows (outflows) from operating activities	7,399	47,531				

(See notes to parent company only financial statements)

Chairman: Chieh-Hsin Wu



Manager: Chieh-Hsin Wu



Chief Accounting Officer: Cheng Tuan-Mu



[Attachment 5]




Super Dragon Technology Co., Ltd.

The 2022 Deficit Compensation Statement

Unit: NT\$

Item	amount
Deficit yet to be compensated at the beginning of period	(481,390,637)
Net profit after tax in the year	(98,817,110)
Other comprehensive income (Remeasurement number of defined benefit plan)	843,958
Deficit yet to be compensated at the end of period	(579,363,789)

According to Article 239 of The Company Act: A company should not use the capital reserve to make good its capital loss, unless the surplus reserve is insufficient to make good such loss.

Chairman: Chieh-Hsin Wu  President: Chieh-Hsin Wu  Chief Accounting Officer: Cheng Tuan-Mu 

[Attachment 6]

**Super Dragon Technology Co., Ltd.
Comparison Table for the Amendments of Procedures for the
Acquisition and Disposal of Assets**

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
Article 2	These procedures for handling are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act"). The acquisition or disposal of assets by the Company should be handled in accordance with the provisions of these Standards.	Article 2	These procedures for handling are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act").	Revise according to the guidelines for disposal on January 28, 2022
Article 3	Omitted	Article 3	Omitted	Unchanged
Article 4	Omitted	Article 4	Omitted	Unchanged
Article 5	Omitted	Article 5	Omitted	Unchanged
Article 6	<p>1. The establishment or amendment of the Procedures for the Acquisition and Disposal of Assets by the Company shall be approved by more than half of the members of the audit committee and the board of directors, and shall be submitted to the shareholders' meeting for approval. The same shall apply for amendments.</p> <p>2. When the Company submits the Procedures for the Acquisition and Disposal of Assets to the board of directors for discussion, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.</p> <p>3. If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.</p> <p>4. The members of the Audit Committee mentioned in Paragraph 1 and the board directors mentioned in the preceding paragraph are counted by the actual incumbent.</p>	Article 6	<p>The establishment or amendment of Procedures for the Acquisition and Disposal of Assets by the Company shall be approved by more than half of the members of the audit committee and submitted to the board of directors for resolution.</p> <p>If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The members of the Audit Committee mentioned in Paragraph 1 and the board directors mentioned in the preceding paragraph are counted by the actual incumbent.</p>	<p>The original Article 6 deleted</p> <p>Amending according to Article 6 of the regulations and incorporated into Article 17 for implementation and amendment</p>
Article 7	<p>The procedures for the acquisition or disposal of real estate, equipment, or their use rights assets by the Company shall include the following:</p> <p>I. Evaluation and operation procedures The Company acquires or disposes of intangible assets, equipment or their right-to-use assets in accordance with the Company's internal control system real estate property, plant and equipment cycle procedures.</p> <p>II. Procedures for determining the terms of the transaction and the authorization amount (I) When acquiring or disposing of real estate or its right-of-use asset, reference should be made to the announced present value, assessed value, and actual transaction prices of adjacent real estate. The transaction conditions and prices should be resolved, and an analysis report should be prepared and submitted to the chairman. If the amount is less than NT \$20 million, approval should be submitted to the chairman of the board of directors, and a report should be submitted to the most recent board of directors afterwards; If the amount exceeds NT \$20 million, it</p>	Article 7	<p>The procedures for the acquisition or disposal of real estate, equipment, or their right-of-use asset</p> <p>I. Evaluation and operation procedures The Company acquires or disposes of intangible assets, equipment or their right-to-use assets in accordance with the Company's internal control system real estate property, plant and equipment cycle procedures.</p> <p>II. Procedures for determining the terms of the transaction and the authorization amount. (I) When acquiring or disposing of real estate or its right-of-use asset, reference should be made to the announced present value, assessed value, and actual transaction prices of adjacent real estate. The transaction conditions and prices should be resolved, and an analysis report should be prepared and submitted to the chairman. If the amount</p>	<p>Amend some content by Article 7 of the Law</p> <p>Retain authorization amount of the original Article 7</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	<p>must be approved by the board of directors before proceeding.</p> <p>(II) The acquisition or disposal of equipment or its right-of-use asset shall be done through inquiry, comparison, negotiation, or bidding. If the amount is less than NT \$10 million (inclusive), it shall be submitted to the Chairman for approval in accordance with the authorization method; If the amount exceeds NT \$10 million, it shall be submitted to the chairman for approval and approved by the board of directors before proceeding.</p> <p>III. Execution unit</p> <p>When the Company acquires or disposes of real estate, equipment or right-of-use assets, the Company should submit the approval in accordance with the aforementioned approval authority, and then the using department and the management department should be responsible for the execution of the approval.</p> <p>IV. Appraisal report of real estate property and other assets</p> <p>In acquiring or disposing of real property, plant, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I) 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.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) 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:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>(IV) 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.</p> <p>(V) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted</p>		<p>is less than NT \$20 million, approval should be submitted to the chairman of the board of directors, and a report should be submitted to the most recent board of directors afterwards; If the amount exceeds NT \$20 million, it must be approved by the board of directors before proceeding.</p> <p>(II) The acquisition or disposal of equipment or its right-of-use asset shall be done through inquiry, comparison, negotiation, or bidding. If the amount is less than NT \$10 million (inclusive), it shall be submitted to the Chairman for approval in accordance with the authorization method; If the amount exceeds NT \$10 million, it shall be submitted to the chairman for approval and approved by the board of directors before proceeding.</p> <p>III. Execution unit</p> <p>When the Company acquires or disposes of real estate, equipment or right-of-use assets, the Company should submit the approval in accordance with the aforementioned approval authority, and then the using department and the management department should be responsible for the execution of the approval.</p> <p>IV. Appraisal report of real estate property and other assets</p> <p>In acquiring or disposing of real property, plant, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I) 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.</p> <p>(II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III) 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:</p>	

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	for the appraisal report or CPA opinion.		<p>1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(IV) 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.</p> <p>(V) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	
Article 8	The Company's major assets or derivatives trading shall be approved by a majority of the Audit Committee members, resolved by the board of directors, and subject to the provisions of Paragraph 3 and 4 of Article 6.	Article 8	<p>Procedures for investment in security acquisition and disposal</p> <p>Serial</p> <p>I. Evaluation and operation procedures The purchase and sale of the Company's securities are conducted in accordance with the Company's internal control system and investment cycle.</p> <p>II. Procedures for determining the terms of the transaction and the authorization amount</p> <p>(I) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. However, if the securities are publicly quoted in an active market or if the competent authorities have stipulated otherwise, the limits are not applicable.</p> <p>(II) For securities trading on the centralized trading market or at securities dealers' offices, the responsible entity shall make a decision based on market conditions. For amounts over NT\$100 million and for each NT\$50 million over NT\$100 million, the chairman of the Board of Directors shall approve and report to the Board of Directors at the most recent meeting afterwards, and shall submit an analysis of unrealized gain or loss on securities before doing so.</p> <p>(III) For securities not traded on a centralized trading market or securities dealer's office, the total amount of equity investment is 40% of the most recent net financial statements and the limit of investment in individual securities is 10% of the most recent net financial statements, as approved by the chairman of the board of directors and reported to the Board of</p>	<p>Original article 8 Amend article 10</p> <p>New Article 8 amended by law</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
			<p>Directors at the most recent meeting afterwards, together with an analysis of unrealized gain or loss on securities.</p> <p>III. Execution unit When the Company invests in securities, the financial unit shall be responsible for the execution of the investment in accordance with the aforementioned approval authority after submitting the approval.</p> <p>IV. Acquire expert's opinions Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	
Article 9	<p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>I. 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.</p> <p>II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>III. 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.</p> <p>(I) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>(II) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract 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.</p>	Article 9	<p>Procedures for the acquisition or disposal of intangible assets or their right-to-use assets or memberships</p> <p>I. Evaluation and operation procedures The Company acquires or disposes of intangible assets or their right-to-use assets or memberships in accordance with the Company's internal control system real estate property, plant and equipment cycle procedures.</p> <p>II. Procedures for determining the terms of the transaction and the authorization amount.</p> <p>1. When acquiring or disposing of intangible assets or their right-to-use assets, an analysis report shall be prepared and submitted to the chairman of the Board of Directors with reference to expert evaluation reports or fair market prices, and a decision on the transaction terms and transaction prices shall be made, and the amount less than NT\$20 million shall be submitted to the chairman of the Board of Directors for approval and shall be reported to the Board of Directors at the most recent board meeting afterwards; if the amount exceeds NT\$20 million, it shall be submitted to the Board of Directors for approval.</p> <p>2. When acquiring or disposing of a membership card, an analysis report shall be submitted to the President with reference to the fair market price, the transaction conditions and the transaction price, and the amount of the memberships under NT\$3,000,000 shall be submitted to the President for approval and shall be reported to the Board of Directors at the most recent board meeting afterwards; if the amount exceeds NT\$3,000,000, it shall be submitted to the Board of Directors for approval.</p> <p>III. Execution unit When the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships, the Company shall submit the approval in accordance with the aforementioned approval authority, and then the using department and the Finance Department or the Administration Department shall be responsible for the execution of the approval.</p> <p>IV. Expert evaluation report on intangible assets or right-of-use assets thereof or memberships</p> <p>1. When the Company acquires or disposes</p>	<p>Original Article 9 Amend article 11 New Article 9 amended by law</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
			<p>of intangible assets or right-of-use assets thereof with a transaction amount of NT\$20 million or more, an evaluation report shall be issued by an expert.</p> <p>2. When the Company acquires or disposes of the memberships with transaction amounts of NT\$3 million or more, the Company shall request an evaluation report from an expert.</p> <p>3. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	
Article 9-1	None	Article 9-1	<p>The calculation of the transaction amounts referred to in previous Articles 7 to 9 shall be done in accordance with Article 14 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 in accordance with these Procedures need not be counted toward the transaction amount.</p>	<p>1 of Original Article 9</p> <p>Amend article 12 by regulation</p>
Article 10	<p>When acquiring or disposing of securities, the Company shall acquire the most recent financial statements of the target company audited, certified, or reviewed by a certified public accountant before the date of the fact, as the reference for evaluating the transaction price. In addition, if the transaction amount reaches 20% of the Company's paid in capital or NT \$300 million or more, a certified public accountant should be consulted before the date of the fact to express an opinion on the reasonableness of the transaction price. This requirement will 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.</p>	Article 10	<p>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 in accordance with the provisions of Articles 7, 8, 9 and 10-1, if the transaction amount reaches 10 percent 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. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9-1 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p>	<p>Original Article 10</p> <p>Amend to Article 14 by law</p> <p>New Article 10 amended by law</p>
Article 10-1	None	Article 10-1	<p>Procedures for handling specific cases of acquisition or disposal of assets to related parties</p> <p>I. For the acquisition and disposal of property or use-of-right assets with the related party, or the acquisition and disposal of assets other than the property or right-of-right assets for an amount exceeding 20% of the Company's paid-in capital, 10% of the total assets, or NT\$300 million, except for</p>	<p>Original Article 10</p> <p>Amend to Article 15 by law</p> <p>Article 10-1 Deleted</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
			<p>the trade of domestic bonds, R/P and R/S bonds, subscription, or R/P of monetary fund issued by domestic securities investment trusts industry, and the second item of data shall be submitted to the Audit Committee, and the transaction contract and payment shall only be signed and approved by the Board of Directors with the approval of at least one-half of all members of the Audit Committee and in accordance with the provisions of Article 6-2 and 6-3.</p> <p>II. Data to be submitted to the Audit Committee:</p> <p>(I) The purpose, necessity, and expected benefits for the acquisition and disposal of assets;</p> <p>(II) The reason for having the related party selected as the counterparty;</p> <p>(III) The relevant information used to assess the reasonableness of the trade conditions related to the acquisition and disposal of property and use-of-right assets with the related party according to the provisions of paragraphs (I) to (V) of Article 4 of this Article.</p> <p>(IV) The original acquisition date and price of the related party, the counterparty, and its relationship with the Company and the related party;</p> <p>(V) The monthly cash receipts and payments forecast in the coming year starting from the contracting month, and assessing the necessity of the transaction and the rationality of the use of funds;</p> <p>(VI) The appraisal report issued by the professional appraiser or accountant's opinion obtained in accordance with the provisions stated in the preceding paragraph;</p> <p>(VII) The restrictions and other important agreed matters of this transaction;</p> <p>III. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 7, paragraph 2 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:</p> <p>(I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(II) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>IV. If the Company or its subsidiary that is not a domestic public company engages in the first paragraph of a transaction, and the transaction amount reaches 10% or more of the company's total assets, the Company shall submit the information listed in the first paragraph 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</p>	

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
			<p>transactions between the Company and its parent company, subsidiaries, or between its subsidiaries. The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 14, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting or board of directors need not be counted toward the transaction amount.</p> <p>V. Evaluation of the reasonableness of transaction costs</p> <p>(I) The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>(II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>(III) The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the first two subparagraphs of this item shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(IV) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the first three paragraphs of this Article, and the paragraph 4 does not apply:</p> <p>1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</p> <p>2. More than 5 years will have elapsed from</p>	

Articles after amending		Articles before amending		Explanation of amendment
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			<p>the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</p> <p>3. The real property is acquired through signing of a joint development 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.</p> <p>4. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p> <p>(V) If the Company acquires real estate or its right-to-use assets from a related party and the evaluation result is lower than the transaction price in accordance with the first two subparagraphs of paragraph 4 of this Article, the Company shall comply with the provisions of subparagraph 6 of paragraph 4 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA has been obtained, this restriction shall not apply:</p> <p>1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(1). Where undeveloped land is appraised in accordance with the means in the subparagraphs (I) to (IV) of paragraph 4 of this Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The Reasonable construction profit shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2). 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 chartering practices.</p> <p>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.</p> <p>3. Completed transactions involving</p>	

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			<p>neighboring or closely valued parcels of land in the Item (1) and (2) of subparagraph (V) of this 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 percent 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.</p> <p>(VI) If the Company acquires real estate or its use rights assets from related parties and the evaluation results are lower than the transaction price in accordance with the provisions of the first two subparagraphs of paragraph 4 of this article, the following matters shall be handled.</p> <p>1. For the difference between the transaction price and assessed cost of the property and its use-of-right assets, the Company shall appropriate a special reserve in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act, and it shall not be distributed or capitalized with stock shares distributed. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. The Audit Committee shall act in accordance with Article 218 of the Company Act.</p> <p>3. The processes stated in items 1 and 2 of this Subparagraph shall be reported in the shareholders' meeting and the details of the transaction should be disclosed in the annual report and the prospectus.</p> <p>(VII) The Company and public company in which the Company's investment is accounted for by the equity method, 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.</p> <p>(VIII) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the subparagraphs (VI) and (VII) of paragraph 4 of this Article, if there is other evidence indicating that the acquisition was not an</p>	

Articles after amending		Articles before amending		Explanation of amendment
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			arms length transaction.	
Article 11	Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.	Article 11	Procedures for acquisition or disposal of debts of financial institutions In principle, the Company does not engage in transactions to acquire or dispose of the debts of financial institutions. In the future, if the Company wishes to engage in transactions to acquire or dispose of the debts of financial institutions, the Company will submit them to the Board of Directors for approval and then establish its evaluation and operating procedures.	The original Article 11 deleted New Article 11 amended by law
Article 12	The calculation of the transaction amounts referred to in the preceding Articles 9 to 11 shall be done in accordance with previous Article 31, paragraph 2 herein, and within the preceding year as used herein refers to the year preceding the date of occurrence of the current transaction. Items 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.	Article 12	Procedures for acquisition or disposal of derivative merchandise(Omitted hereinafter)	Replace Article 12 with original Article 19 New Article 12 amended by law
Article 13	If the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.	Article 13	Processing of merger, demerger, acquisition or transfer of shares (Omitted hereinafter)	Replace Article 13 with original Article 23 New Article 12 amended by law
Article 14	1. In addition to handling relevant resolutions and evaluating the reasonableness of trading conditions in accordance with this procedure, when the Company and its related parties acquire or dispose of assets, if the transaction amount reaches 10% or more of the Company's total assets, a professional appraiser shall also obtain a valuation report or accountant's opinion in accordance with the provisions of the preceding paragraph. 2. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 12 herein. 3. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.	Article 14	Information disclosure procedures (Omitted hereinafter)	Replace Article 14 with original Article 31 New Article 14 amended by law
Article 15	1. For the acquisition and disposal of property or use-of-right assets with the related party, or the acquisition and disposal of assets other than the property or right-of-right assets for an amount exceeding 20% of the Company's paid-in capital, 10% of the total assets, or NT\$300 million, except for the trade of domestic bonds, R/P and R/S bonds, subscription, or R/P of monetary fund issued by domestic securities investment trusts industry, the following documents should be submitted to the board of directors for approval before having the contract signed and payment made: I. The purpose, necessity, and expected benefits for the acquisition and disposal of assets. II. The reason for having the related party selected as the counterparty. III. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with	Article 15	The Company's subsidiaries shall comply with the following regulations: I. The subsidiary shall also establish "Procedures for the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and, after approval by the board of directors of the subsidiary, submit them to the shareholders' meetings of both parties, and amend them in the same way. II. When a subsidiary acquires or disposes of assets, it shall also follow the Company's regulations. III. If a subsidiary that is not a domestic public company acquires or disposes of assets that meet the standards for public announcement and reporting set forth in	The original Article 15 deleted New Article 15 amended by law

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	<p>Article 16 and Article 17.</p> <p>IV. The original acquisition date and price of the related party, the counterparty and its relationship with the Company and the related party.</p> <p>V. Cash income and expenditure forecast for each month of the next year starting from the scheduled contract month, and evaluate the necessity of transactions and the rationality of fund utilization.</p> <p>VI. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>VII. The restrictions and other important agreed matters of this transaction.</p> <p>2. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 7, paragraph 1, 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.</p> <p>I. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>II. Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>3. When submitting to the board of directors for discussion in accordance with the first paragraph, the opinions of each independent director shall be fully considered. If the independent director has had any objection or reservation, it shall be stated in the board meeting minutes.</p> <p>4. According to regulations, matters that need to be recognized by the audit committee must first be approved by more than half of all audit committee members, and a resolution of the board of directors must be submitted. If not approved by more than half of the audit committee, actions may be taken with the consent of more than two-thirds of all directors, and the resolution of the audit committee must be recorded in the minutes of the board of directors.</p> <p>5. If the trading amount of the Company or its non publicly issued subsidiaries reaches 10% or more of the total assets, we shall submit the information listed in the preceding paragraph to the shareholders' meeting for approval before signing the trading contract and making payments. However, this restriction does not apply to transactions between parent and subsidiary companies or between subsidiary companies.</p> <p>6. The calculation of the transaction amounts shall be made in accordance with Article 31, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting or board of directors need not be counted toward the transaction amount.</p>		<p>Articles 7 to 14 of the Company's "Procedures for the Acquisition or Disposal of Assets," the parent company shall make the announcement and reporting on behalf of the subsidiary.</p> <p>IV. In the announcement and reporting standards for subsidiaries, the term "20% of the Company's paid-in capital" or "10% of total assets" refers to the parent company's paid-in capital or total assets.</p>	
Article 15-1	None	Article 15-1	The 10 percent requirement for total assets under these procedures is based on the amount of total assets in the most recent individual or separate financial statements required by the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.	The original Article 15-1 has been amended into Article 35 (Content unchanged) Article 15-1 Deleted

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
Article 16	<p>1. The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>I. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. Necessary interest on funding is imputed as the weighted average interest rate on borrowing in the year purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>II. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.</p> <p>2. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>3. Acquiring real property or right-of-use assets thereof from a related party and appraising the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>4. The acquisition of real estate or its right-to-use assets from a related party shall be governed by the provisions of the preceding Article in one of the following cases, and the preceding provisions shall not apply:</p> <p>I. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</p> <p>II. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</p> <p>III. The real property is acquired through signing of a joint development 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.</p> <p>IV. The real property right-of-use assets for business use are acquired by the public company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</p>	Article 16	Any employee of the Company who undertakes to acquire and dispose of assets in violation of the provisions of this handling procedure shall be subject to regular reporting and evaluation in accordance with the Company's Personnel Management Regulations and Employee Handbook, and shall be punished according to the severity of the situation.	<p>The original Article 16 deleted</p> <p>New Article 16 amended by law</p>
Article 17	<p>1. If the appraisal results are lower than the transaction price in accordance with the provisions of Article 16 (1) and (2), the provisions of Article 18 shall be followed. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness has been obtained from a professional real property appraiser and a CPA has been obtained, this restriction shall not apply:</p> <p>I. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>(I). Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The Reasonable</p>	Article 17	The Company's "Procedures for the Acquisition or Disposal of Assets" shall be approved by the Audit Committee, endorsed by the Board of Directors, and submitted to the shareholders' meeting for approval before implementation. If any director expresses dissenting opinion and there is a record or written statement, the Company shall submit the dissenting opinion to the shareholders' meeting for discussion, and the same applies to any amendment.	<p>The content of the original Article 17 merged into Article 6</p> <p>New Article 17 amended by law</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	<p>construction profit shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(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 chartering practices.</p> <p>II. Where a public 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.</p> <p>2 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 percent 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.</p>			
Article 18	<p>1. Where a public company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>I. The difference between the transaction price of real estate or its right-to-use assets and the appraised cost shall be set aside as special reserves in accordance with the regulations, and shall not be distributed or transferred to additional capital for allotment of shares. If the investor is a public company using the equity method, a special reserve should be provided for the amount of the reserve in proportion to the shareholding.</p> <p>II. The Audit Committee shall act in accordance with Article 218 of the Company Act.</p> <p>III. The first two paragraphs shall be reported to the shareholders' meeting and the details of the transaction shall be disclosed in the annual report and the public explanatory statement.</p> <p>2. A public 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 Competent authority has given its consent.</p> <p>3. When a public company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two provisions if there</p>	Article 18	Any matters not covered by this procedure shall be handled in accordance with the relevant laws and regulations.	<p>Paragraph 6 of item 5 of the original Article 10-1</p> <p>New Article 18 amended by law</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	is other evidence indicating that the acquisition was not an arms length transaction.			
Article 19	<p>Procedures for acquisition or disposal of derivative merchandise</p> <p>I. Trading Principles and Guidelines</p> <p>(I) Types of Transactions</p> <p>1. The Company engages in derivative financial products, which are trading contracts (such as forward contracts, options, futures, interest rates or exchange rates, swaps, and compound contracts resulting from a combination of the above) whose values are derived from assets, interest rates, exchange rates, indices, or other interests.</p> <p>2. Matters related to bond margin deposit shall be handled in accordance with the relevant provisions of these Procedures. The provisions of this policy shall not applicable to transactions in bonds with repurchase criteria.</p> <p>(II) Operating (hedging) strategies</p> <p>The Company engages in derivative transactions for the objective of hedging, and the commodities traded should be selected to hedge the risks arising from the Company's business operations, and the currencies held must be consistent with the Company's actual foreign currency requirements for import and export transactions. The Company's overall internal parts (i.e. foreign currency revenue and expenses) should be self-leveling in order to reduce the Company's overall foreign exchange risk and save foreign exchange operation costs. Other transactions for specific purposes must be carefully evaluated and submitted to the board of directors for approval before proceeding.</p> <p>(III) Division of rights and responsibilities</p> <p>(1) Traders</p> <p>A. Responsible for the strategy development of the entire company's financial products trading.</p> <p>B. All trading personnel shall regularly calculate parts every two weeks, collect market information, make trend judgment and risk assessment, and prepare operation strategies, which shall be approved by the approval authority as the basis for engaging in trading.</p> <p>C. Execute transactions according to the authorized authority and the established strategy.</p> <p>D. When the financial market has changed significantly and traders judge that the established strategy is no longer applicable, an evaluation report will be submitted at any time to redraft the strategy, which will be approved by the president as the basis for engaging in trading.</p> <p>(2) Accounting Personnel</p> <p>A. Execution of transaction confirmation.</p> <p>B. Review whether the transactions are conducted in accordance with the authorized authority and the established strategy.</p> <p>C. Monthly evaluation is conducted and the evaluation report is submitted to the executive Vice President or above.</p> <p>D. Accounting processing.</p> <p>E. Reporting and announcement in accordance with the regulations of the Financial Supervisory Commission.</p> <p>(3) Settlement personnel: Receive notification from trading personnel, check with accounting personnel, and perform settlement tasks.</p> <p>(4) The trading personnel and the settlement personnel</p>	Article 19	<p>The first amendment of the Procedure was registered on June 22, 2016.</p> <p>The second amendment of the Procedure was registered on June 8, 2017.</p> <p>The third amendment of the Procedure was registered on June 18, 2019.</p> <p>The fourth amendment of the Procedure was registered on June 14, 2022.</p>	<p>The original Article 19 is the date change record</p> <p>New Article 19 amended by law</p>

Articles after amending		Articles before amending		Explanation of amendment															
Articles	Content	Articles	Content																
	<p>shall be separated into different persons.</p> <p>(5) Auditors: Responsible for understanding the appropriateness of internal controls over derivatives trading and checking the compliance of the trading segment with operating procedures, analyzing the transaction cycle, preparing audit reports, and reporting to the Board of Directors in case of material deficiencies.</p> <p>(IV) approval authority for derivative merchandise</p> <p>A. Approval authority for hedging transactions</p> <p style="text-align: center;">Unit: US\$10,000</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Authorized Approvers</th> <th>Single Transaction Amount</th> <th>Accumulated Part Transaction Amount</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td style="text-align: center;">750</td> <td style="text-align: center;">1,800</td> </tr> <tr> <td>President</td> <td style="text-align: center;">700</td> <td style="text-align: center;">1,500</td> </tr> <tr> <td>Executive Vice President</td> <td style="text-align: center;">550</td> <td style="text-align: center;">1,200</td> </tr> <tr> <td>Head of Finance Management</td> <td style="text-align: center;">300</td> <td style="text-align: center;">500</td> </tr> </tbody> </table> <p>B. In order to cope with the development of the business and in response to changes in the market, those who are approved by the Board of Directors may be exempted from the authorization limit.</p> <p>C. Other transactions for specific purposes shall be submitted to the Board of Directors for approval before implementation.</p> <p>(V) Renewal Evaluation</p> <p>(1) Hedging transactions</p> <p>A. Performance is evaluated on the fundamental of the exchange rate cost in the Company's books and the profit or loss from engaging in derivative financial transactions.</p> <p>B. In order to fully grasp and express the valuation risk of the transactions, the Company adopts a monthly valuation method to evaluate the profit and loss.</p> <p>C. The finance department shall provide the evaluation of the foreign exchange position and the foreign exchange market trend and market analysis to the president for management reference and instruction.</p> <p>(2) Specific purpose transactions are evaluated on the basis of the actual profit or loss generated, and the accounting personnel shall regularly prepare reports on the parts for the management's reference.</p> <p>(VI) Determination of total contract amount and losses cap</p> <p>(1) Total contract amount</p> <p>A. Hedging transaction credit</p> <p>The finance department should keep track of the Company's overall position in order to hedge transaction risks. The amount of hedging transactions should not exceed two-thirds of the Company's overall net position, and if it exceeds two-thirds, it should be reported to the president for approval.</p> <p>B. Specific purpose transactions</p> <p>Based on the forecast of market changes, the Finance Department may prepare strategies as necessary and submit them to the President and Chairman for approval. The total amount of contracts for the Company's net cumulative parts for specific purpose transactions is limited to US\$300,000. Any amount in excess of the above is subject to the approval of the Board of Directors</p>	Authorized Approvers	Single Transaction Amount	Accumulated Part Transaction Amount	Chairman	750	1,800	President	700	1,500	Executive Vice President	550	1,200	Head of Finance Management	300	500			
Authorized Approvers	Single Transaction Amount	Accumulated Part Transaction Amount																	
Chairman	750	1,800																	
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	<p>and in accordance with policy directives.</p> <p>(2) Loss cap setting</p> <p>A. Hedging transactions are carried out to meet the Company's actual needs and the risks involved are assessed and controlled in advance, so there is no need to set a losses cap.</p> <p>B. If the contract is for a specific purpose, a stop-loss point shall be established after the position is created to prevent excess losses.</p> <p>The stop-loss point shall be set at a maximum of 10% of the contracted amount. If the loss exceeds 10% of the contracted amount, the loss shall be reported to the President and the Board of Directors immediately to discuss necessary countermeasures.</p> <p>C. The losses amount of individual contract shall be capped at the lower of US\$20,000 or 5% of the contract amount.</p> <p>D. The maximum yearly losses for the Company's specific purpose trading operations are US\$300,000.</p>			
Article 20	<p>The Company engages in derivatives trading and shall adopt the following risk management measures:</p> <p>(I) Credit risk management .</p> <p>Since the market is subject to various factors that may cause operational risk of derivative financial products, market risk management is conducted in accordance with the following principles.</p> <p>(1) Transaction counterparties: mainly domestic and foreign famous financial institutions.</p> <p>(2) Merchandise: Only the merchandise provided by famous domestic and foreign financial institutions.</p> <p>(3) Transaction amount: The unhedged transaction amount of the same counterparty shall not exceed 10% of the total authorized amount, except for those approved by the president.</p> <p>(II) Market risk management:</p> <p>The Company shall control the risk of changes in market prices of derivative financial products due to changes in interest rates, exchange rates or other factors at all times.</p> <p>(III) Liquidity risk management:</p> <p>In order to ensure market liquidity, financial products are selected with a high degree of liquidity (i.e., readily available in the market for flat). The financial institution entrusted with the transaction must have sufficient information and the ability to trade in any market at any time.</p> <p>(IV) Cash flow risk management</p> <p>The Company's sources of funding for derivatives trading are limited to its own funds in order to ensure the stability of its working capital cycle, and the amount of its operations should take into account the funding requirements of the cash flow forecast for the next three months.</p> <p>(V) Operational risk management</p> <p>1. The Company's authorized quota, operational procedures and internal audits should be followed to avoid operational risks.</p> <p>2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</p> <p>3. Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.</p> <p>4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades</p>	Article 20	None	<p>Original Article 20 Content:None</p> <p>New Article 20 amended by law</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	<p>required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.</p> <p>(VI) Merchandise risk management Internal traders should have complete and correct expertise in financial instruments and banks are required to fully disclosure the risks in order to avoid the risk of misuse of financial products.</p> <p>(VII) Legal risk management Documents signed with financial institutions should be inspected by specialists in foreign exchange and legal affairs or legal advisors before they are formally signed to avoid legal risks.</p>			
Article 21	<p>1. 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>I. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.</p> <p>II. 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>2. Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</p> <p>I. 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.</p> <p>II. 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.</p> <p>3. A company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivates trading in accordance with its procedures for engaging in derivatives trading.</p>	Article 21	None	<p>Original Article 21 Content:None</p> <p>New Article 21 amended by law</p>
Article 22	<p>1. When engaging in derivatives trading, the Company shall establish a record book to record the type and amount of derivatives trading, the date of approval by the Board of Directors, and its prudent evaluation in the record book.</p> <p>2. Internal auditors shall periodically review the appropriateness of internal controls over derivative transactions and audit the compliance of the trading department with the procedures for handling derivative transactions on a monthly basis, and prepare audit reports. If significant irregularities are found, the Audit Committee shall be notified in writing.</p> <p>3.The internal auditors shall report the audit report together with the annual audit of internal audit operations to the Securities and Futures Commission by the end of February of the following year, and report the improvement of irregularities to the Securities and Futures Commission for examination by the end of May of the following year.</p> <p>4. The Board of Directors has authorized senior management to regularly monitor and evaluate whether derivatives trading are conducted in accordance with the Company's established trading procedures and whether the risks assumed is within the scope of permitted</p>	Article 22	None	<p>Original Article 22 Content:None</p> <p>New Article 22 amended by law</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	<p>commitments. If there is any abnormal situation in the market price evaluation report (if the holding position exceeds the losses limit), the Company shall immediately report to the Board of Directors and take measures in response.</p> <p>5. 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. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.</p>			
Article 23	<p>A public company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.</p>	Article 23	None	<p>Original Article 23 Content:None</p> <p>New Article 23 amended by law</p>
Article 24	<p>1. When the Company participates in a merger, demerger or acquisition, it shall prepare a public document to the shareholders, together with the expert opinion in the first paragraph of the preceding Article and the notice of the shareholders' meeting, prior to the shareholders' meeting, for the purpose of reference as to whether or not to agree to the merger, demerger or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.</p> <p>2. If the shareholders' meeting of a company participating in a merger, demerger or acquisition cannot be convened or resolved due to insufficient number of attendees, insufficient voting rights or other legal restrictions, or if the proposal is rejected by the shareholders' meeting, the Company participating in the merger, demerger or acquisition shall immediately disclose to the public the reasons for the occurrence, the subsequent handling operations and the expected date of the shareholders' meeting.</p>	Article 24	None	<p>Original Article 24 Content:None</p> <p>New Article 24 amended by law</p>
Article 25	<p>1. If the Company participates in a merger, demerger or acquisition, the Board of Directors' meeting and the shareholders' meeting shall be held on the same day to resolve matters related to the merger, demerger or acquisition, unless otherwise required by other laws or special factors are reported to the competent authorities for prior approval.</p> <p>2. If the Company participates in the transfer of shares, the Board of Directors' meeting shall be held on the same day unless otherwise provided by other laws or special factors are reported to the competent authorities for prior approval.</p> <p>3. If the Company involves in a merger, demerger, acquisition or transfer of shares, it shall make complete written records of the following information and keep them for five years for inspection:</p> <p>I. Basic identification data for personnel: Including the</p>	Article 25	None	<p>Original Article 25 Content:None</p> <p>The source of the new Article 25 is Article 13-2-1</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	<p>occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.</p> <p>II. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.</p> <p>III. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of the board of directors meetings.</p> <p>4. The Company involved in a merger, demerger, acquisition, or transfer of shares listed or traded on a securities dealer's business office shall, within two days from the date of approval of the board of directors' resolution, report the information in paragraphs 1 and 2 of the preceding paragraph in the prescribed form to the competent authorities on the Internet information system for record.</p> <p>5. If a company involved in a merger, demerger, acquisition or transfer of shares has a company that is not listed or whose shares are traded on the securities market, the Company whose shares are listed or whose shares are traded on the securities market shall enter into an agreement with such company and shall comply with the provisions of the preceding two items.</p>			
Article 26	<p>Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.</p>	Article 26	None	<p>Original Article 26 Content:None</p> <p>The source of the new Article 26 is Article 13-2-2</p>
Article 27	<p>Principles for determining and changing the share exchange ratio or acquisition price</p> <p>When involved in a merger, demerger, acquisition or transfer of shares, the share exchange ratio or acquisition price shall not be changed at will, except in the following circumstances, and the circumstances under which the merger, demerger, acquisition or transfer of shares may be changed shall be stipulated in the merger, demerger, acquisition or transfer of shares contract:</p> <p>1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.</p> <p>2. An action, such as a disposal of major assets, that affects the Company's financial operations.</p> <p>3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.</p> <p>4. Adjustment of the purchase of treasury shares by either company involved in a merger, demerger, acquisition or share transfer in accordance with the law.</p> <p>5. An increase or decrease in the number of entities or companies involved in the merger, demerger, acquisition, or transfer of shares.</p>	Article 27	None	<p>Original Article 27 Content:None</p> <p>The source of the new Article 27 is Article 13-2-3</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.			
Article 28	The contract should contain the contents. When involved in a merger, demerger, acquisition or transfer of shares, the deed shall set forth the rights and obligations of the Company participating in the merger, demerger, acquisition or transfer of shares, and shall set forth the following: 1. Handling of breach of contract. 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged. 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof. 4. The manner of handling changes in the number of participating entities or companies. 5. Preliminary progress schedule for plan execution, and anticipated completion date. 6. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.	Article 28	None	Original Article 28 Content:None The source of the new Article 28 is Article 13-2-4
Article 29	If any company involved in a merger, demerger, acquisition or transfer of shares intends to merge, demerger, acquire or transfer shares with another company after the information has been disclosed to the public, the participating company shall be exempted from convening a shareholders' meeting to resolve the matter again, unless the number of participants has been reduced and the shareholders' meeting has resolved and authorized the board of directors to change the authority of the merger, demerger, acquisition or transfer of shares, and the procedures or legal acts performed in the original merger, demerger, acquisition or transfer of shares shall be repeated by all involved companies.	Article 29	None	Original Article 29 Content:None The source of the new Article 29 is Article 13-2-5
Article 30	If any company involved in a merger, demerger, acquisition or transfer of shares is not a public company, the Company shall enter into an agreement with such company in accordance with the provisions of Article 25, Article 26 and the preceding Article.	Article 30	None	Original Article 30 Content:None The source of the new Article 30 is Article 13-2-6
Article 31	1. Under any of the following circumstances, if an asset is acquired or disposed of, the relevant information shall be announced and reported on the website designated by the Financial Supervisory Commission within two days from the date of occurrence in accordance with the prescribed format: I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more. Provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust	Article 31	None	Original Article 31 Content:None The source of the new Article 31 is Article 14 Paragraphs 1 to 4 Amending parts of the law

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	<p>enterprises.</p> <p>II. Merger, demerger, acquisition, or transfer of shares.</p> <p>III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>IV. 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:</p> <p>(I). For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II). For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>V. Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the public company has paid-in capital of NT\$10 billion or more, and it is disposing of real property from a completed construction project that it constructed itself, and furthermore the transaction counterparty is not a related party, then the threshold shall be a transaction amount reaching NT\$1 billion or more.</p> <p>VI. 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.</p> <p>VII. Where an asset transaction other than those described in the preceding six paragraphs, the disposal of debts by a financial institution, or an investment in Mainland China, the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more. Provided, this shall not apply to the following circumstances:</p> <p>(I) Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</p> <p>(II) For those who are specialized in investment, they may buy and sell securities on the stock exchange or at the securities brokerage business premises, or subscribe for foreign bonds or ordinary corporate bonds and general financial bonds not involving equity interests (excluding subordinated bonds) in the primary market, or subscribe for or buy back securities investment trusts or futures trusts, or subscribe for or sell back index investment securities, or securities underwritten by the securities brokerage for the purpose of underwriting business and recommended by the securities brokerage to subscribe for securities in accordance with the regulations of the Taipei Exchange.</p> <p>(III) Purchase and sale of bonds with repurchase and repurchase conditions, and subscription or repurchase of money market funds issued by domestic securities investment trusts.</p> <p>2. The amount of transactions above shall be calculated as follows:</p> <p>I. The amount of any individual transaction.</p> <p>II. The cumulative transaction amount of acquisitions</p>			

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
	<p>and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.</p> <p>III. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>IV. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>3. The one-year period referred to in the preceding paragraph is based on the date of occurrence of the transaction and extrapolated forward one year, and the part of the announcement already made in accordance with the provisions of this Standard is not counted again.</p> <p>4. The Company shall enter monthly, in the prescribed format, the information on derivative transactions engaged in by the Company and its subsidiaries that are not domestic public companies as of the end of the previous month on the information reporting website designated by the competent authority by the tenth day of each month.</p> <p>5. The Company shall re-announce and report all the items within two days from the date of knowledge if there is an error or omission in the items that should be announced according to the regulations and should be corrected.</p> <p>6. The Company shall keep the relevant deeds, minutes, docket, valuation reports, and opinions of accountants, attorneys, or securities underwriters for at least five years after acquiring or disposing of assets, unless otherwise required by other laws.</p>			
Article 32	<p>The Company shall, within two days from the date of occurrence of a transaction announced and reported in accordance with the provisions of the preceding Article, announce and report the relevant information on the designated website of the Association if any of the following circumstances apply:</p> <p>I. Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>II. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>III. Change to the originally publicly announced and reported information.</p>	Article 32	None	<p>Original Article 32 Content:None</p> <p>The source of the new Article 32 is Article 14-5</p>
Article 33	<p>1. Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the public company.</p> <p>2. The Company's paid-in capital or total assets shall prevail over the Company's paid-in capital or total assets for the preceding subsidiaries to which the preceding notifiable reporting standards apply.</p>	Article 33	None	<p>Original Article 33 Content:None</p> <p>The new Article 33 comes from Article 15-3</p>
Article 34	<p>1. The 10 percent requirement for total assets under these procedures is based on the amount of total assets in the most recent individual or separate financial statements required by the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.</p>	Article 34	None	<p>Original Article 34 Content:None</p> <p>The new Article 34 comes from Article 15</p>

Articles after amending		Articles before amending		Explanation of amendment
Articles	Content	Articles	Content	
Article 35	Initially established on June 22, 2016. Second amendment on June 8, 2017. Third amendment on June 18, 2019. Fourth amendment on June 14, 2022. Fifth amendment on June 16, 2023.	Article 35	None	Original Article 35:None New Article 35 Entry Date Change

[Attachment 7] Independent Director Candidate List

Independent director Name of the Candidate	Education	Current Position(s)	Main Experience	Number of shares held
Chih-Fang Wang	National Taiwan University Master, Department of Finance	Independent director of ELTA Technology Co., Ltd.	President, Jih Sun Financial Holding Co., Ltd. President, Jih Sun Bank Chief Financial Officer, Jih Sun Financial Holding Co., Ltd.	None
Ya-Hsuan Wang	Master, Aoyama Gakuin University EMBA, NTU-Fudan University	<p>Chairman of the following companies:</p> <ul style="list-style-type: none"> -Julianne Fine Art Ltd. -Diwei Modern Art Co., Ltd. -Chengtai Electronics (Wujiang) Co., Ltd. -Videosoft Global Co., Ltd. -Kuo-Kuang Motor Transportation Company Ltd. <p>Director of the following companies:</p> <ul style="list-style-type: none"> -Unionwide Construction Co., Ltd. -Sanya Investment Co., Ltd. -Chunghua Investment Co., Ltd. -Hsinching Investment Development Co., Ltd. -Rowda Capital Co. -Chingtien Investment Co., Ltd. -Hsin Hsing Industrial Co., Ltd. -Lung Hwa Electronics Co., Ltd. -Showtime People & Culture Limited -Trican Biotechnology Co., Ltd. -Qingdao Liansheng Industrial Co., Ltd. -Master Transportation Bus Manufacturing Ltd. -Shanyuan Co., Ltd. -DEXIN Corporation <p>Supervisor of the following companies:</p> <ul style="list-style-type: none"> -Clover Hi-Tech Corp. -Sanli Investment Co., Ltd. -Sanyuan Venture Capital Investment Co., Ltd. <p>President of the following companies:</p> <ul style="list-style-type: none"> -Lung Hwa Electronics Co., Ltd. -Chengtai Electronics (Wujiang) Co., Ltd. -Qingdao Liansheng Industrial Co., Ltd. <p>Independent director of the following companies:</p> <ul style="list-style-type: none"> -ELTA Technology Co., Ltd. 	Trader, Nomura Securities (Tokyo)	None

[Appendix 1]

Super Dragon Technology Co., Ltd.

Articles

Chapter I General Provision

- Article 1 The Company is organized under the Company Act of the Republic of China and is named as "Super Dragon Technology Co., Ltd".
- Article 2 The scope of business of the Company is as follows:
1. C801010 Basic Chemical Industrial.
 2. C802170 Poisonous Chemical Material Manufacturing.
 3. C802990 Other Chemical Products Manufacturing.
 4. C805070 Reinforced Plastic Products Manufacturing.
 5. C805990 Other Plastic Products Manufacturing.
 6. C901010 Ceramic and Ceramic Products Manufacturing.
 7. C901020 Glass and Glass Products Manufacturing.
 8. C901040 Manufacture of Ready-mix Concrete.
 9. C901060 Manufacture of Refractory Products.
 10. C901070 Cutting, Shaping and Finishing of Stone.
 11. C901990 Other Non-Metallic Mineral Products Manufacturing.
 12. CA01070 Scrapped Car and Boat Dismantling and Scrap Iron and Steel Metal Processing.
 13. CA01080 Smelting and Refining of Aluminum.
 14. CA01110 Smelting and Refining of Copper.
 15. CA01990 Other Non-ferrous Metal Basic Industries.
 16. CA02080 Metal Forging.
 17. CA02090 Metal Wire Products Manufacturing.
 18. CA02990 Other Metal Products Manufacturing.
 19. CB01030 Pollution Controlling Equipment Manufacturing.
 20. CB01010 Mechanical Equipment Manufacturing.
 21. CB01990 Other Machinery Manufacturing.
 22. CG01010 Jewelry and Precious Metals Products Manufacturing.
 23. CZ99990 Manufacture of Other Industrial Products Not Elsewhere Classified.
 24. F107060 Wholesale of Virulence Chemical Substance.
 25. F107170 Wholesale of Industrial Catalyst.
 26. F107990 Wholesale of Other Chemical Products.
 27. F111090 Wholesale of Building Materials.
 28. F113010 Wholesale of Machinery.
 29. F115010 Wholesale of Jewelry and Precious Metals.
 30. F119010 Wholesale of Electronic Materials.
 31. F199010 Wholesale of Recycling Materials.
 32. F120010 Wholesale of Refractory Materials.
 33. F215010 Retail Sale of Jewelry and Precious Metals.
 34. F401010 International Trade.
 35. I199990 Other Consulting Service.
 36. IC01010 Medicine Inspection.
 37. J101030 Waste Disposing.
 38. J101040 Waste Treatment.
 39. J101080 Resource Recycling.
 40. XLII. J101090 Waste Disposal.
 41. J101050 Environmental Testing Services.
 42. J101060 Wastewater (Sewage) Treatment.
 43. D101050 Combined Heat and Power.
 44. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company has its head office in Taoyuan City. The Board of Directors may, if necessary, by resolution of the Board, establish branches in or outside the State.
- Article 4 The announcement method of the Company shall be in accordance with the Company Act and other relevant laws and regulations.
- Article 5 The Company may provide endorsements or guarantees to external entities.
- Article 6 The Company's reinvestments shall not be subject to the restriction that the total amount of investments shall not exceed 40% of the paid-in capital as provided in Article 13 of the Company Act. Any reinvestment matters shall be effected by resolution of the Board.
- ### Chapter 2 Capital
- Article 7 The total capital of the Company is set at NT\$2 billion, divided into 200 million shares of NT\$10 each, to be issued in several tranches
The Company may issue employee stock warrants and retain 20 million shares within the total number of shares previously issued as employee stock warrants.
- Article 8 The shares of the Company shall be free from printing of stocks. If the Company prints stocks, it shall do so in accordance with the provisions of the Company Act and other relevant

	laws and regulations.
Article 9	All stocks printed by the Company shall be in registered form and shall be issued in accordance with the provisions of the Company Act and other relevant laws and regulations.
Article 10	Except as otherwise provided by law and securities regulations, the Company's shareholders shall comply with the "Regulations Governing the Administration of Shareholder Services of Public Companies" in the event of transfer of shares, creation of pledge of rights, loss, succession, gift and loss of seal, change of ownership or change of address of a shareholder of the Company.
Article 11	No transfer of shares shall be registered within 60 days prior to the shareholders' meeting, or within 30 days prior to the special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.
Article 12	The shareholders' meeting of the Company is divided into the following two types: 1. Shareholders' meeting 2. Special shareholders' meetings Shareholders' meetings are convened by the Board of Directors within 6 months after the end of each accounting year. The convening of special shareholders' meetings shall be in accordance with relevant laws and regulations.
Article 12-1	The Company's shareholders' meeting may be held by means of visual communication network or other methods promulgated by the central competent authority. The conditions, operating procedures and other matters to be complied with in connection with the adoption of a video shareholders' meeting shall be in accordance with the regulations of the competent securities authorities.
Article 13	A shareholders' meeting shall be convened by notice in writing sent to each shareholder at his/her last registered residence with the Company not less than thirty days before a shareholders' meeting and not less than fifteen days before a special shareholders' meeting. The written notice shall state the grounds on which the meeting is called.
Article 14	Except as otherwise provided in the Company Act, a shareholders' meeting shall be held only if a majority of the total number of issued shares is represented, and the shareholders may attend in person or by proxy; and a resolution shall be passed by a majority of the voting rights of the shareholders present.
Article 15	Each shareholder of the Company shall have one voting right for each share, except in the case of shares which have no voting rights as provided in Article 179 of the Company Act.
Article 16	If a shareholder is unable to attend a shareholders' meeting, he/she may appoint a proxy to attend and exercise his/her rights in accordance with the provisions of Article 177 of the Company Act. A proxy shall not be limited to a shareholder of the Company.
Article 17	The Chairman of the Company is the Chairman of the shareholders' meeting. In the absence of the Chairman, the Vice-Chairman or a Director shall attend in his/her place in accordance with Article 208 of the Company Act.
Article 18	The resolutions of the shareholders' meeting shall be recorded in minutes, which shall be signed or sealed by the Chairman of the shareholders' meeting. Such minutes shall be kept by the Company together with the signature book of the shareholders present and the proxy form.
	Chapter 3 Directors and Audit Committee
Article 19	The Company shall have five to nine Directors, who shall be elected by the shareholders' meeting for a term of three years and shall be eligible for re-election. The total number of shares of the Company held by all Directors shall be subject to the regulations of the competent authorities. In addition, the Company may purchase liability insurance for its directors in accordance with the provisions of the Corporate Governance Principles for TWSE/TPEX Listed Companies, the scope of which is delegated to the Board of Directors for resolution. Among the aforementioned number of directors, at least three shall be independent directors. The election of directors shall be conducted in accordance with the nomination system for candidates under Article 192-1 of the Company Act, and the acceptance of nominations of director candidates and related matters such as announcements shall be in accordance with the provisions of the Company Act and the relevant laws and regulations of the Securities and Exchange Act. Independent directors and non-independent directors shall be elected together and the number of elected seats should be counted separately.
Article 20	For the election of Directors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect. The election of independent directors is based on the nomination system for candidates under Article 192-1 of the Company Act. The acceptance of nominations of independent director candidates and related matters such as announcements shall be in accordance with the provisions of the Company Act and the relevant laws and regulations of the Securities and Exchange Act. Independent directors and non-independent directors shall be elected together and the number of elected seats should be counted separately.
Article 20-1	The Company, in accordance with Article 14-4 of the Securities and Exchange Act, established an Audit Committee, and the committee shall be responsible for performing duties under the Company Act, the Securities and Exchange Act, and other laws and regulations.

- The Audit Committee shall consist of all the independent directors, including at least one with accounting or financial expertise, one of whom shall be the convenor.
Any resolution adopted by the audit committee shall have the consent of a majority of audit committee members.
- Article 21 Except as otherwise provided in the Company Act, a meeting of the Board of Directors may be held only if more than half of the Directors are present, and the resolution shall be made by the consent of a majority of the Directors present.
- Article 22 The returns of the directors of the Company is delegated to the Board of Directors based on the extent of their participation in and value of their contribution to the operations of the Company and with reference to industry standards.
- Article 23 The Board of Directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the Directors, and may also elect in the same manner a Vice Chairman of the Board. The Chairman of the Board shall not have a second vote or a veto in the Board and shall represent the Company externally.
- Article 24 A meeting of the Directors shall be convened by the Chairman of the Board except at the first meeting of each term, which shall be convened by the Director who receives the largest number of votes representing the right to vote after re-election, and shall be notified by the convenor to the Directors at least seven days in advance of the meeting, except in case of emergency.
The convening of the board of directors of the Company may be notified in writing, by e-mail or by fax of the date, place and agenda of a meeting of the Board.
The Board shall meet at least once a quarter.
Directors who attend the meeting by video screen are deemed as having attended in person.
- Article 25 The chairman of the board of directors shall preside over the meeting of the board of directors. In addition, the Chairman shall have the right to sign documents in the name and on behalf of the Company in accordance with the resolutions of the Board and to do all acts on behalf of the Board in accordance with the resolutions of the Board and, when the Board is not in session, in accordance with the objects of the Company. In the absence of the Chairman, the Vice-Chairman or other directors' proxies shall attend in his/her place in accordance with Article 208 of the Company Act.
- Article 26 A Director may authorise in writing another Director to attend and vote on behalf of him/her at a meeting of the Board and on all matters arising at the meeting provided that the proxy shall be limited to one person appointed by him.
- Article 27 The Directors shall exercise their authorities and duties in accordance with the resolutions of the Board and the shareholders' meeting.
- Article 28 If for any reason the number of vacancies in the board of directors of a company equals to one third of the total number of directors, the board of directors shall call a shareholders' meeting to elect succeeding directors to fill the vacancies. Except in the case of a general re-election of Directors, a new Director shall hold office for the remainder of the term for which he/she was appointed.
- Chapter 4 Management and Operation of the Company
- Article 29 The Company may, by resolution of the Board of Directors, have several managers in place. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.
- Article 30 Subject to the provisions of the Company Act and these Articles, the officers of the Company shall comply with the directions of the Board in all respects.
- Chapter 5 Financial Reports
- Article 31 The year of the Company shall commence on the first day of January and end on the December 31 in each year. The Board shall, at the end of each accounting year, prepare the following forms and submit them to the shareholders' meeting for recognition:
1. Business report
 2. Financial statements
 3. Proposal for the distribution of earnings and appropriation for making up losses
- Article 32 If the Company makes a profit for a year (the profit refers to the pre-tax income before the remuneration to employees and directors is deducted), the Company shall set aside 3.6% to 8.6% as employee remuneration and not more than 3.6% as remuneration to directors. However, where the Company has accumulated losses (including adjustments to the amount of undistributed earnings), the amount of the indemnity shall be reserved in advance. The aforesaid employee remuneration may be in the form of stock or cash and may be made payable to employees of subordinate companies who satisfy such conditions as the Board may prescribe. The aforesaid director remuneration shall be in cash only. The first two items shall be resolved by the Board of Directors and reported to the shareholders' meeting.
- Article 32-1 If the Company's annual final accounts show a net profit after tax for the current period, the Company shall first make up for the accumulated losses and set aside 10% of the accumulated losses as legal reserve in accordance with the law, unless the accumulated legal reserve has reached the Company's paid-in capital. The special reserve shall be appropriated or reversed in accordance with the provisions of the Act or the competent authority. The Board of Directors shall prepare a proposal for the surplus distribution of the remaining surplus, together with any undistributed surplus at the beginning of the period, and submit it to the shareholders' meeting

for resolution on the distribution of dividends to shareholders.
The Company's dividend policy is to distribute dividends to shareholders in cash or in shares, with cash dividends being no less than 10% of the total dividends, in accordance with the Company's current and future development plans, taking into account the investment environment, capital requirements and domestic and international competition, as well as the interests of shareholders.

Chapter 6 Supplemental Provisions

- Article 33 The details of the Company's internal organization and business processes shall be determined by the Board.
- Article 34 All matters not provided for in these Articles shall be governed by the Company Act.
- Article 35 The Articles were established on December 2, 1997.
The Articles were 1st amended on November 24, 1999.
The Articles were 2nd amended on September 10, 2000.
The Articles were 3rd amended on June 11, 2001.
The Articles were 4th amended on June 3, 2002.
The Articles were 5th amended on June 13, 2003.
The Articles were 6th amended on June 11, 2004.
The Articles were 7th amended on June 2, 2005.
The Articles were 8th amended on June 12, 2006.
The Articles were 9th amended on June 7, 2007.
The Articles were 10th amended on June 25, 2008.
The Articles were 11th amended on June 14, 2010.
The Articles were 12th amended on February 17, 2011.
The Articles were 13th amended on June 25, 2013.
The Articles were 14th amended on June 22, 2015.
The Articles were 15th amended on June 22, 2016.
The Articles were 16th amended on June 26, 2018.
The Articles were 17th amended on June 14, 2022.

[Appendix 2]

Super Dragon Technology Co., Ltd. Rules and Procedures of Shareholders' Meeting

- Article 1 (Basis of determination)
To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 6 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2 Unless otherwise stipulated by laws or regulations, the rules of procedure for the Company's shareholders' meeting shall be governed by these Rules.
- Article 3 (Convening of shareholders' meetings and meeting notices)
Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the Board of Directors and shall be made no later than before the notice of the shareholders' meeting is sent.
The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the originals of and 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) 30 days before the date of a regular shareholders' meeting or 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 21 days before the date of the regular shareholders' meeting or 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. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its professional shareholder service agency. The Company shall provide the handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:
I. When a physical shareholders' meeting is convened, such materials shall be distributed on-site at the shareholders' meeting.
II. When a physical shareholders' meeting is convened, along with a video conference, such materials shall be distributed on-site at the shareholders' meeting, and an electronic file of such materials shall be uploaded to the video conference platform.
III. When a shareholders' meeting is convened by video conference, an electronic file of such materials shall be sent to the video conference 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 the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter in each subparagraph under Article 185, paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion.

Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of the issued shares may submit to the Company a proposal for discussion at a general shareholders' meeting. The number of items so proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. A shareholder's proposal in alignment with any circumstance under any subparagraph of paragraph 4 of Article 172-1 of the Company Act may not be included in the meeting agenda by the Board of Directors.

A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each of such proposals is 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 annual general meeting of shareholders and take part in the 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. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4

(Attendance at shareholders' meetings and proxy)

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.

Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail. Unless a declaration is made to cancel the previous proxy form.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Once the proxy form is received by the Company, in the case that the shareholder intends to attend the shareholders' meeting by video conference, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5

(Principles for the venue and time 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 independent directors' opinions with respect to the place and time of the meeting.

When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.

Article 6

(Preparation of a sign-in book and other documents)

The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders"), and other matters that shall be noted.

The time at which shareholders' sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The sign-in place shall be clearly marked and staffed with a sufficient number of suitable personnel. When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend the shareholders' meetings with their attendance cards, sign-in cards, or

other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with a sign-in 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 handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be furnished.

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

If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them until the end of the meeting.

Article 6-1 (Convening of the shareholders' meeting by video conference and the matters to be included in the meeting notice)

When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:

- I. Methods of shareholders participating in the video conference and exercising their rights.
- II. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:
 - (I) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
 - (II) Shareholders who did not register to participate in the original shareholders' meeting by video conference shall not participate in the meeting to be postponed or resumed.
 - (III) When a physical shareholders' meeting is convened, along with a video conference, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.
 - (IV) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.
- III. When a shareholders' meeting is to be convened by video conference, appropriate alternatives for shareholders who have difficulty participating in the meeting by video means shall be specified.

Article 7 (Chair of the shareholders' meeting and attendees in a non-voting capacity)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the managing directors or directors shall select, from among themselves, one person to serve as the chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Evidence of the audio or video recordings of the shareholders' meeting)

The Company shall make an uninterrupted audio and video recording of the entire process of the shareholders' meeting from shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting.

The audio and video recording in the preceding paragraph shall be kept for at least one year.

However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, as well as voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.

The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.

If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.

Article 9 (Counting of the shares represented by shareholders present at the shareholders' meeting)

Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conference platform plus the number of shares whose voting rights are exercised in writing or by electronic means.

The chair shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.

If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

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

Article 10 (Proposal discussion)

If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one (including extempore motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.

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

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution by the shareholders' meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

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

Article 11 (Speeches by shareholders)

Before speaking, an attending shareholder shall specify on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The

order in which shareholders speak will be set by the chair.

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

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

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped. When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

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

If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of paragraphs 1 to 5 shall not apply.

If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.

Article 12 (Counting of voting shares and a recusal policy)

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

With respect to resolutions by a shareholders' meeting, the number of shares held by a shareholder without voting rights shall not be calculated as part of the total number of outstanding 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 a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be counted toward the number of the voting rights represented by attending shareholders. With the exception of a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of the issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.

Article 13 (Methods for voting, scrutineering, and vote counting)

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

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.

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

After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph two days before the shareholders' meeting in the same manner in which the voting rights were exercised; otherwise the voting rights exercised in writing or by electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation,

the passage of a proposal shall require an affirmative vote of 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 vote by the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered on the MOPS.

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

Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company.

Vote counting for proposals or elections at a shareholders' meeting 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 recorded.

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.

If a shareholders' meeting is convened, along with a video conference held at the same time, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.

Article 14 (Elections)

The election of directors or supervisors 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 or supervisors and those who lost the election and the numbers of votes each candidate won.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

Article 15 (Meeting minutes and documents to be signed)

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

The distribution of the Company's proceedings may be announced through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the meeting taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.

When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.

- Article 16 (Public announcement)
 The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.
 When a shareholders' meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting.
 If any resolutions by the shareholders' meeting are material information as stipulated by laws and regulations or Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS prior to a deadline.
- Article 17 (Maintenance of the order of the venue)
 Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.
 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification badge or an armband, reading "Proctor."
 At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.
 When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
- Article 18 (Recess and resumption of a shareholders' meeting)
 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
 If the meeting venue is no longer available for continued use and not all of the items (including extempore motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
 A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.
- Article 19 (Disclosure of information at video conferences)
 When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.
- Article 20 (Location of the chair and minute taker for shareholders' meeting by video conference only)
 When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.
- Article 21 (Handling of disconnection)
 When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.
 In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date

within five days, in which case Article 182 of the Company Act shall not apply.

In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed.

For the meeting to be postponed or resumed under paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or resumed.

When a shareholders' meeting is postponed or resumed in accordance with paragraph 2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors or supervisors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholder's meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 2.

When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

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

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 second paragraph.

- Article 22 (Handling of digital divide)
When a shareholders' meeting is to be convened by video conference, appropriate alternatives for shareholders who have difficulty participating in the meeting by video means shall be provided.
- Article 23 The Rules is implemented after the resolution reached in the meeting of shareholders, so is the amendment.
- Article 24 The first amendment of the Rules was registered on June 22, 2016.
The second amendment of the Rules was registered on June 16, 2020.
The third amendment of the Rules was registered on July, 29, 2021.
The fourth amendment of the Rules was registered on June, 14, 2022.

[Appendix 3]

Super Dragon Technology Co., Ltd. Procedures for the Acquisition and Disposal of Assets

- Article 1: Objectives
These procedures have been established to safeguard the Company's assets and to implement the information disclosure.
- Article 2: Basis of the Act:
These procedures for handling are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act").
- Article 3: The scope of assets
- I. Investments including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
 - II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
 - III. Memberships.
 - IV. Including patents, copyrights, trademarks, franchise rights, and other intangible assets.
 - V. Right-of-use assets.
 - VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
 - VII. Derivatives.
 - VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
 - IX. Other major assets.
- Article 4: Definition of terms
- I. 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 rate, 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.
 - II. 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 Institutions 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.
 - III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
 - IV. 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 equipment.
 - V. Date of occurrence: Refers to the date of contract signing, date of payment, entrusted transaction date, transfer date, board meeting resolution date, or other date that can confirm the counterparty and the amount of the transaction, whichever date is earlier. However, in the case of investments subject to the approval of the competent authority, the earlier of the date of commencement or the date of receipt of the approval from the competent authority.
 - VI. 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.
 - VII. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
 - VIII. 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.
 - IX. 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.

Article 5: 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:

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

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

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. 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.
- III. 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.
- IV. 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 6: The establishment or amendment of Procedures for the Acquisition and Disposal of Assets by the Company shall be approved by more than half of the members of the audit committee and submitted to the board of directors for resolution.

If the approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board of directors meeting.

The members of the Audit Committee mentioned in Paragraph 1 and the board directors mentioned in the preceding paragraph are counted by the actual incumbent.

Article 7: The procedures for the acquisition or disposal of real estate, equipment, or their right-of-use asset

- I. Evaluation and operation procedures
The Company acquires or disposes of intangible assets, equipment or their right-to-use assets in accordance with the Company's internal control system real estate property, plant and equipment cycle procedures.
- II. Procedures for determining the terms of the transaction and the authorization amount.
 - (I) When acquiring or disposing of real estate or its right-of-use asset, reference should be made to the announced present value, assessed value, and actual transaction prices of adjacent real estate. The transaction conditions and prices should be resolved, and an analysis report should be prepared and submitted to the chairman. If the amount is less than NT \$20 million, approval should be submitted to the chairman of the board of directors, and a report should be submitted to the most recent board of directors afterwards; If the amount exceeds NT \$20 million, it must be approved by the board of directors before proceeding.
 - (II) The acquisition or disposal of equipment or its right-of-use asset shall be done through inquiry, comparison, negotiation, or bidding. If the amount is less than NT \$10 million (inclusive), it shall be submitted to the Chairman for approval in accordance with the authorization method; If the amount exceeds NT \$10 million, it shall be submitted to the chairman for approval and approved by the board of directors before proceeding.
- III. Execution unit

When the Company acquires or disposes of real estate, equipment or right-of-use assets, the Company should submit the approval in accordance with the aforementioned approval authority, and then the using department and the management department should be responsible for the execution of

the approval.

IV. Appraisal report of real estate property and other assets

In acquiring or disposing of real property, plant, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (I) 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.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) 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:
 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- (IV) 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.
- (V) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 8: Procedures for investment in security acquisition and disposal

I. Evaluation and operation procedures

The purchase and sale of the Company's securities are conducted in accordance with the Company's internal control system and investment cycle.

II. Procedures for determining the terms of the transaction and the authorization amount

- (I) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. However, if the securities are publicly quoted in an active market or if the competent authorities have stipulated otherwise, the limits are not applicable.
- (II) For securities trading on the centralized trading market or at securities dealers' offices, the responsible entity shall make a decision based on market conditions. For amounts over NT\$100 million and for each NT\$50 million over NT\$100 million, the chairman of the Board of Directors shall approve and report to the Board of Directors at the most recent meeting afterwards, and shall submit an analysis of unrealized gain or loss on securities before doing so.
- (III) For securities not traded on a centralized trading market or securities dealer's office, the total amount of equity investment is 40% of the most recent net financial statements; and the limit of investment in individual securities is 10% of the most recent net financial statements, as approved by the chairman of the board of directors and reported to the Board of Directors at the most recent meeting afterwards, together with an analysis of unrealized gain or loss on securities.

III. Execution unit

When the Company invests in securities, the financial unit shall be responsible for the execution of the investment in accordance with the aforementioned approval authority after submitting the approval.

IV. Acquire expert's opinions

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 9: Procedures for the acquisition or disposal of intangible assets or their right-to-use assets or memberships

- I. Evaluation and operation procedures
The Company acquires or disposes of intangible assets or their right-to-use assets or memberships in accordance with the Company's internal control system real estate property, plant and equipment cycle procedures.
- II. Procedures for determining the terms of the transaction and the authorization amount.
 1. When acquiring or disposing of intangible assets or their right-to-use assets, an analysis report shall be prepared and submitted to the chairman of the Board of Directors with reference to expert evaluation reports or fair market prices, and a decision on the transaction terms and transaction prices shall be made, and the amount less than NT\$20 million shall be submitted to the chairman of the Board of Directors for approval **and** shall be reported to the Board of Directors at the most recent board meeting afterwards; if the amount exceeds NT\$20 million, it shall be submitted to the Board of Directors for approval.
 2. When acquiring or disposing of a membership card, an analysis report shall be submitted to the President with reference to the fair market price, the transaction conditions and the transaction price, and the amount of the memberships under NT\$3,000,000 shall be submitted to the President for approval and shall be reported to the Board of Directors at the most recent board meeting afterwards; if the amount exceeds NT\$3,000,000, it shall be submitted to the Board of Directors for approval.
- III. Execution unit
When the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships, the Company shall submit the approval in accordance with the aforementioned approval authority, and then the using department and the Finance Department or the Administration Department shall be responsible for the execution of the approval.
- IV. Expert evaluation report on intangible assets or right-of-use assets thereof or memberships
 1. When the Company acquires or disposes of intangible assets or right-of-use assets thereof with a transaction amount of NT\$20 million or more, an evaluation report shall be issued by an expert.
 2. When the Company acquires or disposes of the memberships with transaction amounts of NT\$3 million or more, the Company shall request an evaluation report from an expert.
 3. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
 4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 9-1: The calculation of the transaction amounts referred to in Articles 7 to 9 shall be done in accordance with Article 14 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 in accordance with these Procedures need not be counted toward the transaction amount.

Article 10: 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 in accordance with the provisions of Articles 7, 8, 9 and 10-1, if the transaction amount reaches 10 percent 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.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9-1 herein.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 10-1: Procedures for handling specific cases of acquisition or disposal of assets to related parties

- I. For the acquisition and disposal of property or use-of-right assets with the related party, or the acquisition and disposal of assets other than the property or right-of-right assets for an amount exceeding 20% of the company's paid-in capital, 10% of the total assets, or NT\$300 million, except for the trade of domestic bonds, R/P and R/S bonds, subscription, or R/P of monetary fund issued by domestic securities investment trusts industry, and the second item of data shall be submitted to the Audit Committee, and the transaction contract and payment shall only be signed and approved by the Board of Directors with the approval of at least one-half of all members of the Audit Committee and in accordance with the provisions of Article 6-2 and 6-3.
- II. Data to be submitted to the Audit Committee:
 - (I) The purpose, necessity, and expected benefits for the acquisition and disposal of assets.
 - (II) The reason for having the related party selected as the counterparty.

- (III) The relevant information used to assess the reasonableness of the trade conditions related to the acquisition and disposal of property and use-of-right assets with the related party according to the provisions of paragraphs (I) to (V) of Article 4 of this Article;
 - (IV) The original acquisition date and price of the related party, the counterparty and its relationship with the Company and the related party.
 - (V) The monthly cash receipts and payments forecast in the coming year starting from the contracting month, and assessing the necessity of the transaction and the rationality of the use of funds.
 - (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
 - (VII) The restrictions and other important agreed matters of this transaction.
- III. With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 7, paragraph 2 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 of disposal of the equipment or its use-of-right assets for business operation.
 - (II) Acquisition of disposal of the property or its use-of-right assets for business operation.
- IV. If a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders' meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries. The calculation of the transaction amounts referred to in paragraph 1 and the preceding paragraph shall be made in accordance with Article 14, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the shareholders' meeting or board of directors need not be counted toward the transaction amount.
- V. Evaluation of the reasonableness of transaction costs.
- (I) The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the Company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
 - (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
 - (III) The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the first two subparagraphs of this item shall also engage a CPA to check the appraisal and render a specific opinion.
 - (IV) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the first three paragraphs of this Article, and the paragraph 4 does not apply:
 1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 3. The real property is acquired through signing of a joint development 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.
 4. The real property right-of-use assets for business use are acquired by the public company

with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

- (V) If the Company acquires real estate or its right-to-use assets from a related party and the evaluation result is lower than the transaction price in accordance with the first two subparagraphs of paragraph 4 of this Article, the Company shall comply with the provisions of subparagraph 6 of paragraph 4 of this Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness has been obtained from a professional real property appraiser and a CPA has been obtained, this restriction shall not apply:
1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the subparagraphs (I) to (IV) of paragraph 4 of this Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The Reasonable construction profit shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) 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 chartering 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.
 3. Completed transactions involving neighboring or closely valued parcels of land in the Item (1) and (2) of subparagraph (V) of this 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 percent 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.
- (VI) If the Company acquires real estate or its use rights assets from related parties and the evaluation results are lower than the transaction price in accordance with the provisions of the first two subparagraphs of paragraph 4 of this article, the following matters shall be handled.
1. For the difference between the transaction price and assessed cost of the property and its use-of-right assets, the Company shall appropriate a special reserve in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act, and it shall not be distributed or capitalized with stock shares distributed. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
 2. The Audit Committee shall act in accordance with Article 218 of the Company Act.
 3. The processes stated in items 1 and 2 of this Subparagraph shall be reported in the shareholders' meeting and the details of the transaction should be disclosed in the annual report and the prospectus.
- (VII) The Company and public company in which the Company's investment is accounted for by the equity method, 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.
- (VIII) When the Company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the subparagraphs (VI) and (VII) of paragraph 4 of this Article, if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 11: Procedures for acquisition or disposal of debts of financial institutions

In principle, the Company does not engage in transactions to acquire or dispose of the debts of financial

institutions. In the future, if the Company wishes to engage in transactions to acquire or dispose of the debts of financial institutions, the Company will submit them to the Board of Directors for approval and then establish its evaluation and operating procedures.

Article 12: Procedures for acquisition or disposal of derivative merchandise

I. Trading Principles and Guidelines

(I) Types of Transactions

1. The Company engages in derivative financial products, which are trading contracts (such as forward contracts, options, futures, interest rates or exchange rates, swaps, and compound contracts resulting from a combination of the above) whose values are derived from assets, interest rates, exchange rates, indices, or other interests.
2. Matters related to bond margin deposit shall be handled in accordance with the relevant provisions of these Procedures. The provisions of this policy shall not applicable to transactions in bonds with repurchase criteria.

(II) Operating (hedging) strategies

The Company engages in derivative transactions for the objective of hedging, and the commodities traded should be selected to hedge the risks arising from the Company's business operations, and the currencies held must be consistent with the Company's actual foreign currency requirements for import and export transactions. The Company's overall internal parts (i.e. foreign currency revenue and expenses) should be self-levelling in order to reduce the Company's overall foreign exchange risk and save foreign exchange operation costs. Other transactions for specific purposes must be carefully evaluated and submitted to the board of directors for approval before proceeding.

(III) Division of rights and responsibilities

(1) Traders

- A. Responsible for the strategy development of the entire company's financial products trading.
- B. All trading personnel shall regularly calculate parts every two weeks, collect market information, make trend judgment and risk assessment, and prepare operation strategies, which shall be approved by the approval authority as the basis for engaging in trading.
- C. Execute transactions according to the authorized authority and the established strategy.
- D. When the financial market has changed significantly and traders judge that the established strategy is no longer applicable, an evaluation report will be submitted at any time to redraft the strategy, which will be approved by the president as the basis for engaging in trading.

(2) Accounting Personnel

- A. Execution of transaction confirmation.
- B. Review whether the transactions are conducted in accordance with the authorized authority and the established strategy.
- C. Monthly evaluation is conducted and the evaluation report is submitted to the Executive Vice President or above.
- D. Accounting processing.
- E. Reporting and announcement in accordance with the regulations of the Financial Supervisory Commission.

(3) Settlement personnel: Receive notification from trading personnel, check with accounting personnel, and perform settlement tasks.

(4) The trading personnel and the settlement personnel shall be separated into different persons.

(5) Auditors: Responsible for understanding the appropriateness of internal controls over derivatives trading and checking the compliance of the trading segment with operating procedures, analyzing the transaction cycle, preparing audit reports, and reporting to the Board of Directors in case of material deficiencies.

(IV) Approval authority for derivative merchandise

- A. Approval authority for hedging transactions

Unit: US\$10,000

Authorized Approvers	Single Transaction Amount	Accumulated Part Transaction Amount
Chairman	750	1,800
President	700	1,500
Executive Vice President	550	1,200
Head of Finance Management	300	500

- B. In order to cope with the development of the business and in response to changes in the market, those who are approved by the Board of Directors may be exempted from the authorization limit.
- C. Other transactions for specific purposes shall be submitted to the Board of Directors for approval before implementation.
- (V) Renewal evaluation
- (1) Hedging transactions
- A. Performance is evaluated on the fundamental of the exchange rate cost in the Company's books and the profit or loss from engaging in derivative financial transactions.
- B. In order to fully grasp and express the valuation risk of the transactions, the Company adopts a monthly valuation method to evaluate the profit and loss.
- C. The finance department shall provide the evaluation of the foreign exchange position and the foreign exchange market trend and market analysis to the president for management reference and instruction.
- (2) Specific purpose transactions
Specific purpose transactions are evaluated on the basis of the actual profit or loss generated, and the accounting personnel shall regularly prepare reports on the parts for the management's reference.
- (VI) Determination of total contract amount and losses cap
- (1) Total contract amount
- A. Hedging transaction credit
The finance department should keep track of the Company's overall position in order to hedge transaction risks. The amount of hedging transactions should not exceed two-thirds of the Company's overall net position, and if it exceeds two-thirds, it should be reported to the president for approval.
- B. Specific purpose transactions
Based on the forecast of market changes, the Finance Department may prepare strategies as necessary and submit them to the President and Chairman for approval. The total amount of contracts for the Company's net cumulative parts for specific purpose transactions is limited to US\$300,000. Any amount in excess of the above is subject to the approval of the Board of Directors and in accordance with policy directives.
- (2) Loss cap setting
- A. Hedging transactions are carried out to meet the Company's actual needs and the risks involved are assessed and controlled in advance, so there is no need to set a losses cap.
- B. If the contract is for a specific purpose, a stop-loss point shall be established after the position is created to prevent excess losses. The stop-loss point shall be set at a maximum of 10% of the contracted amount. If the loss exceeds 10% of the contracted amount, the loss shall be reported to the President and the Board of Directors immediately to discuss necessary countermeasures.
- C. The losses amount of individual contract shall be capped at the lower of US\$20,000 or 5% of the contract amount.
- D. The maximum yearly losses for the Company's specific purpose trading operations are US\$300,000.
- II. Risk management measures
- (I) Credit risk management:
Since the market is subject to various factors that may cause operational risk of derivative financial products, market risk management is conducted in accordance with the following principles.
- (1) Transaction counterparties: mainly domestic and foreign famous financial institutions.
- (2) Merchandise: Only the merchandise provided by famous domestic and foreign financial

- institutions.
- (3) Transaction amount: The unhedged transaction amount of the same counterparty shall not exceed 10% of the total authorized amount, except for those approved by the president.
- (II) Market risk management:
The Company shall control the risk of changes in market prices of derivative financial products due to changes in interest rates, exchange rates or other factors at all times.
- (III) Liquidity risk management:
In order to ensure market liquidity, financial products are selected with a high degree of liquidity (i.e., readily available in the market for flat). The financial institution entrusted with the transaction must have sufficient information and the ability to trade in any market at any time.
- (IV) Cash flow risk management
The Company's sources of funding for derivatives trading are limited to its own funds in order to ensure the stability of its working capital cycle, and the amount of its operations should take into account the funding requirements of the cash flow forecast for the next three months.
- (V) Operational risk management
1. The Company's authorized quota, operational procedures and internal audits should be followed to avoid operational risks.
 2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
 3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
 4. 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. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
- (VI) Merchandise risk management
Internal traders should have complete and correct expertise in financial instruments and banks are required to fully disclose the risks in order to avoid the risk of misuse of financial products.
- (VII) Legal risk management
Documents signed with financial institutions should be inspected by specialists in foreign exchange and legal affairs or legal advisors before they are formally signed to avoid legal risks.
- III. Internal audit system.
- (I) Internal auditors shall periodically review the appropriateness of internal controls over derivative transactions and audit the compliance of the trading department with the procedures for handling derivative transactions on a monthly basis and analyze trading cycles, and prepare audit reports. If significant irregularities are found, the Audit Committee shall be notified in writing.
 - (II) The internal auditors shall report the audit report together with the annual audit of internal audit operations to the Securities and Futures Commission by the end of February of the following year, and report the improvement of irregularities to the Securities and Futures Commission for examination by the end of May of the following year.
 - (III) The Board of Directors has authorized senior management to regularly monitor and evaluate whether derivatives trading are conducted in accordance with the Company's established trading procedures and whether the risks assumed are within the scope of permitted commitments. If there is any abnormal situation in the market price evaluation report (if the holding position exceeds the losses limit), the Company shall immediately report to the Board of Directors and take measures in response.
 - (IV) 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. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
- IV. The supervisory and management principles of the Board of Directors when engaging in derivative transactions
- (I) The board of directors shall designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk. The management principles are as follows:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Procedures 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 the Company has independent directors, an independent director shall be present at the meeting and express an opinion.
- (II) 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.
- (III) A company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its procedures for engaging in derivatives trading.
- (IV) 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 subparagraphs (IV) of paragraph (III), item (I) of subparagraph (I) and subparagraph (II) of paragraph (IV) of this Article (IV) shall be recorded in detail in the log book.

Article 13: Processing of merger, demerger, acquisition or transfer of shares

I. Evaluation and operation procedures

- (I) The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.
- (II) When the Company participates in a merger, demerger or acquisition, it shall prepare a public document to the shareholders, together with the expert opinion in the first paragraph of the subparagraph (I) of paragraph I of this Article and the notice of the shareholders' meeting, prior to the shareholders' meeting, for the purpose of reference as to whether or not to agree to the merger, demerger or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. In additional, where the shareholders' meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders' meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders' meeting.

II. Other notes

- (I) Boards of Directors' date, data retention and reporting
1. Boards of Directors' date: A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders' meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
 2. Data retention: when participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:
 - A. Basic identification data for personnel: including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - B. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a

- contract, and the convening of a board of directors meeting.
- C. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.
3. Declaration of Operations: when participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.
 4. Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two items.
- (II) Prior confidentiality undertaking: every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (III) Principles for determining and changing the share exchange ratio or acquisition price: A public company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Shareholder meetings for deliberation and passage. In principle, the share exchange ratio or acquisition price may not be changed arbitrarily, except when the conditions for such change have been stipulated in the contract and disclosed to the public. The conditions under which the share exchange ratio or acquisition price may be changed are as follows:
1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 2. An action, such as a disposal of major assets, that affects the Company's financial operations.
 3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 4. Adjustment of the purchase of treasury shares by either company involved in a merger, demerger, acquisition or share transfer in accordance with the law.
 5. An increase or decrease in the number of entities or companies involved in the merger, demerger, acquisition, or transfer of shares.
 6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (IV) Contents of the contract: In addition to the provisions of Article 317-1 of the Company Act and Article 22 of the Business Mergers and Acquisitions Act, the contract for the merger, demerger, acquisition or transfer of shares of the Company shall set forth the following matters.
1. Handling of breach of contract.
 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 4. The manner of handling changes in the number of participating entities or companies.
 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 6. Scheduled date for convening the legally mandated shareholders' meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (V) After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of

participating companies is decreased and a participating company's shareholders' meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders' meeting to resolve on the matter anew.

- (VI) If a company participating in a merger, demerger, acquisition or transfer of shares is not a public company, the Company shall enter into an agreement with such company and shall comply with the provisions of subparagraph (I) of paragraph 2 of this Article regarding the date of the Board of Directors' meeting, subparagraph (II) regarding the prior confidentiality undertaking, and subparagraph (V) regarding the change in the number of companies participating in a merger, demerger, acquisition or transfer of shares.

Article 14: Information disclosure procedures

- I. Under any of the following circumstances when the Company acquires or disposes of assets, it shall publicly announce and report the relevant information on the website designated by the competent authority of securities in the appropriate format as prescribed by the Financial Supervisory Commission within 2 days counting inclusively from the date of occurrence of the event:
 - (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; Provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
 - (II) Merger, demerger, acquisition, or transfer of shares.
 - (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
 - (IV) 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:
 - 1. Where the Company's paid-in capital is less than NT\$10 billion and the transaction amount reaches NT\$500 million or more.
 - 2. Where the Company's paid-in capital is NT\$10 billion or more and the transaction amount reaches NT\$1 billion or more.
 - (V) Acquisition or disposal by the Company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million; among such cases, if the Company engages in construction business and 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.
 - (VI) 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.
 - (VII) Where an asset transaction other than any of those referred to in the preceding six subparagraphs or where the Company is a financial institution, its disposal of receivables or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; Provided, this shall not apply to the following circumstances:
 - 1. Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.
 - 2. Where the Company is a professional investor and engages in securities trading on securities exchanges or OTC markets, or subscription of foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or where the Company engages in 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.
 - 3. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- II. The amount of transactions above shall be calculated as follows:
 - (I) The amount of any individual transaction.
 - (II) The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 - (III) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
 - (IV) The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.
- III. "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 these Regulations need not be counted toward the transaction amount.
- IV. The Company shall enter monthly, in the prescribed format, the information on derivative transactions engaged in by the Company and its subsidiaries that are not domestic public companies as of the end of the previous month on the information reporting website designated by the competent authority by the tenth day of each month.
- V. The Company shall re-announce and report all the items within two days from the date of knowledge if there is an error or omission in the items that should be announced according to the regulations and should be corrected, or if any of the following circumstances apply.
 - (I) Change, termination, or rescission of a contract signed in regard to the original transaction.
 - (II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
 - (III) Change to the originally publicly announced and reported information.
- VI. The Company shall keep the relevant deeds, minutes, docket, valuation reports, and opinions of accountants, attorneys, or securities underwriters for at least five years after acquiring or disposing of assets, unless otherwise required by other laws.

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

- I. The subsidiary shall also establish "Procedures for the Acquisition or Disposal of Assets" in accordance with the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and, after approval by the board of directors of the subsidiary, submit them to the shareholders' meetings of both parties, and amend them in the same way.
- II. When a subsidiary acquires or disposes of assets, it shall also follow the Company's regulations.
- III. If a subsidiary that is not a domestic public company acquires or disposes of assets that meet the standards for public announcement and reporting set forth in Articles 7 to 14 of the Company's "Procedures for the Acquisition or Disposal of Assets," the parent company shall make the announcement and reporting on behalf of the subsidiary.
- IV. In the announcement and reporting standards for subsidiaries, the term "20% of the Company's paid-in capital" or "10% of total assets" refers to the parent company's paid-in capital or total assets.

Article 15-1: The 10 percent requirement for total assets under these procedures is based on the amount of total assets in the most recent individual or separate financial statements required by the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

Article 16: Penalties

Any employee of the Company who undertakes to acquire and dispose of assets in violation of the provisions of this handling procedure shall be subject to regular reporting and evaluation in accordance with the Company's Personnel Management Regulations and Employee Handbook, and shall be punished according to the severity of the situation.

Article 17: Implementation and revision

The Company's "Procedures for the Acquisition or Disposal of Assets" shall be approved by the Audit Committee, endorsed by the Board of Directors, and submitted to the shareholders' meeting for approval before implementation. If any director expresses dissenting opinion and there is a record or written statement, the Company shall submit the dissenting opinion to the shareholders' meeting for discussion, and the same applies to any amendment.

Article 18: Supplemental provisions

Any matters not covered by this procedure shall be handled in accordance with the relevant laws and regulations.

Article 19: The Procedure was first recorded as amended on June 22, 2016.

The second amendment of the Procedure was registered on June 8, 2017.

The third amendment of the Procedure was registered on June 18, 2019.

The fourth amendment of the Procedure was registered on June 14, 2022.

[Appendix 4]

Super Dragon Technology Co., Ltd. Procedures for the Selection of Directors

- Article 1 For the purpose of fair, just and open election of directors, I hereby establish this procedure in accordance with Article 21 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".
- Article 2 The election of directors of the Company shall be governed by these procedures, except as provided by law.
- Article 3 The selection of the Company's directors shall take into account the overall configuration of the Board of Directors. The composition of the Board of Directors shall take into account diversity, and shall formulate appropriate diversity guidelines with respect to its own operations, business model and development needs, including but not limited to the following two major criteria:
- I. Basic criteria and values: gender, age, nationality and culture, etc.
 - II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
- Members of the Board shall generally possess the knowledge, skills and qualities necessary for the performance of their duties and shall, as a whole, possess the following competencies:
- I. Operational judgment.
 - II. Accounting and financial analysis capability.
 - III. Operation management capability.
 - IV. Crisis management capability.
 - V. Industry knowledge.
 - VI. International market view.
 - VII. Leadership.
 - VIII. Decision capability.
- More than half of the directors shall be directors and shall not be related to each other as spouses or second degree relatives.
- The Company's Board of Directors shall consider adjusting the composition of the Board of Directors based on the results of the performance evaluation.
- Article 4 The qualifications of the independent directors of the Company shall comply with the provisions of Articles 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
- The election of independent directors of the Company shall be in accordance with Articles 5, 6, 7, 8 and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies".
- Article 5 The election of directors of the Company shall be conducted in accordance with the procedures of the nomination system for candidates as set forth in Article 192-1 of the Company Act.
- When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders' meeting.
- When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders' meeting within 60 days of the occurrence of that fact to hold a director by-election.
- When the number of independent directors is less than the number specified in the Company's Articles of Incorporation for any reason, a by-election shall be held at the latest shareholders' meeting; if all independent directors are dismissed, an extraordinary shareholders' meeting shall be held within 60 days from the date of such dismissal.
- Article 6 The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7 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 8 The number of directors shall be calculated in accordance with the quotas set forth in the Company's Articles of Incorporation for the election of independent directors and non-independent directors, and the directors shall be elected in the order of the number of votes received representing the greater number of election rights. 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 9 Before the election begins, the Chairperson shall designate a number of scrutineers and tellers with the status of shareholders to perform the relevant duties. The ballot boxes are prepared by the Board of Directors and are open for inspection by the scrutineers before the voting.
- Article 10 An election ballot is invalid under any of the following circumstances in the left:
- I. A ballot prepared by the person who has the right to call is not used.
 - II. A blank ballot is placed in the ballot box.
 - III. A ballot with illegible or altered handwriting.
 - IV. A ballot paper that does not match the list of candidates for election as a director.
 - V. A ballot with other words on it, except for the number of election rights allocated.
- Article 11 The Chairperson shall announce the names of the Directors elected and the number of their election rights on the spot after the voting is completed.
- The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.
- Article 12 The Board of Directors of the Company shall issue a notice of election to the elected directors.
- Article 13 These procedures shall be effective upon approval by the shareholders' meeting, and shall be amended as well.
- Article 14 The first amendment of the Procedure was registered on June 22, 2016.
The second amendment of the Procedure was registered on June 26, 2018.
The third amendment of the Procedure was registered on June 18, 2019.
The fourth amendment of the Procedure was registered on July, 29, 2021.

[Appendix 5] Shareholding of All Directors

Shareholding of All Directors

Book closure date: April 18, 2023

Title	Name	Registered shareholding	
		Number of shares held (share)	Shareholding ratio
Chairman	Chieh-Hsin Wu	4,349,125	4.21%
Director	Yao-Hsun Wu	29,856,515	28.93%
Director	Enormous Vastness Investment Company Limited Representative: K.C. Chou	2,193,000	2.12%
Director	Fukang Investment Co., Ltd. Representative: Chia-Nan Hsu	4,019,000	3.89%
Independent director	Shih-Chun Ho	--	--
Independent director	Cheng-Che Tsai	--	--
All shares held by all directors		40,417,640	39.16%

1. The Company's paid-in capital is NT\$1,032,082,290 and the Company has 103,208,229 outstanding shares.
2. The minimum required combined shareholding of all directors by law is 8,000,000 shares.
3. As of the book closure date of the shareholders' meeting, the total number of shares held by all directors reached the legally required number of shares.