

**SCAN-D CORPORATION**  
**Meeting Minutes of 2019 Annual General Meeting**  
**(Translation)**

Time : 9:00 a.m., Jun.20, 2019

Place : No.69, Dinghu 1<sup>st</sup> St., Gueishan Dist., Taoyuan City , Taiwan.

Total outstanding Xintec shares: 46,133,227shares

Total shares represented by shareholders present in person or by proxy: 29,450,649shares(including 2,583,566 shares the voting rights of which are exercised by the electronic means)

Percentage of shares held by shareholders present in person or by proxy: 63.83%

Directors present : Chairman Lim, Pok-Chin 、 Director Lim, Jie-Ren 、 Director Neo, Khay-Pin 、 Independent Director Chen, Chung-Cheng 、 Independent Director Wang, Chia-Cheng.

Supervisor present : Supervisor Wang, I-Yao 、 Supervisor Lee, Shin-Mo 、 Supervisor Liu, Chih-Hung.

Attendees : CPA Kuo, Nai-Hua from Deloitte Taiwan 、 Handsome Attorneys-at-Law Peng, yi-chen.

Chairman : Lim, Pok-Chin

Recorder : Hsu, Chia-Chieh

I 、 Chairman's Call Meeting to Order : As the number of shares represented by attending shareholder has reached the required quorum for shareholders' meeting, the chairman declares the shareholders' meeting begins.

II 、 Chairman's Remarks : omitted

III 、 Report Items

(1) 2018 Business Report. ( See Attachment I )

(2) 2018 Supervisors' Review Report. ( Please refer to Handbook )

(3) 2018 Employees' Profit Sharing Bonus and Directors' Compensation Report.  
( Please refer to Handbook )

(4) Report on the situation of the second domestic secured conversion company's debt handling. ( See Attachment II )

#### IV 、 Acknowledgment

##### **Issue No I Proposed by the Board**

Subject : Present 2018 Business Report and Final Accounts.

Explanation : 1 、 The company's 2018 annual financial statements by the Qin Zhongxin joint accounting firm ShemingAccountants and Guo Nahua Accountants has checked and issued an unqualified opinion, together with the business report sent to the supervisor to review the completion.

2 、 Please refer to Attachment I and Please refer to Attachment III for Final Accounts.

Voting Results:

shares represented at the time of voting : 29,450,649

Voting Results*		% of the total represented share present
Votes in favor :	29,409,484 votes ( 2,542,401 votes )	99.86%
Votes against :	32,792 votes ( 32,792 votes )	0.11%
Votes invalid :	0 votes	0.00%
Votes abstained :	8,373 votes ( 8,373 votes )	0.03%

The proposal has been adopted by voting without any modification.

##### **Issue No II Proposed by the Board**

Subject : Present 2018 Earnings Distribution.

Explanation : 1 、 The earnings is to be distributed by the article of the Company.

2 、 It's to distribute 138,399,681 dollars(3 dollars per share). The distributing is made on the base date after the approval of shareholders meeting.

3 、 In the event the share capital adjustment of the Company and thus effect the issuance of shares and the interest rate; the shareholders shall propose the Board for resolution.

4 、 Please refer to Attachment IV.

**Voting Results:**

shares represented at the time of voting : 29,450,649

Voting Results*		% of the total represented share present
Votes in favor :	29,410,484 votes ( 2,543,401 votes )	99.86%
Votes against :	33,792 votes ( 33,792 votes )	0.11%
Votes invalid :	0 votes	0.00%
Votes abstained :	6,373 votes ( 6,373 votes )	0.03%

The proposal has been adopted by voting without any modification.

**V 、 Discussion**

**Issue No I : Proposed by the board**

Subject : Present Assets Acquisition and Disposition Rules Amendment.

Explanation t : 1 、 The rules is to be amended according to the letter issued on Nov.26, 2018 by FSC no. 1070341072 and Practical Operations.

2 、 Please refer to Attachment V.

**Voting Results:**

shares represented at the time of voting : 29,450,649

Voting Results*		% of the total represented share present
Votes in favor :	29,385,484 votes ( 2,518,401 votes )	99.78%
Votes against :	58,792 votes ( 58,792 votes )	0.20%
Votes invalid :	0 votes	0.00%
Votes abstained :	6,373 votes ( 6,373 votes )	0.02%

The proposal has been adopted by voting without any modification.

## Issue No II : Proposed by the board

Subject : Present Rules on Granting Loans and Endorsement Amendment.

Explanation: 1、The rules is to be amended according to the letter issued on Mar.7, 2019 by FSC no. 1080304826 and Practical Operations.

2、Please refer to Attachment VI.

Voting Results:

shares represented at the time of voting : 29,450,649

Voting Results*		% of the total represented share present
Votes in favor :	29,385,184 votes ( 2,518,101 votes )	99.78%
Votes against :	58,792 votes ( 58,792 votes )	0.20%
Votes invalid :	0 votes	0.00%
Votes abstained :	6,673 votes ( 6,673 votes )	0.02%

The proposal has been adopted by voting without any modification.

VI、Other Business and Special Motion : None.

VII、Meeting Adjourned : Meeting ended at 9:28 am

( The Minutes only records main ideas of 2019 Annual General Shareholders' Meeting. The content and procedure of the Meeting shall refer to video recording. )

## Business Report

Dear shareholders:

First we would like to thank you dear shareholders for coming to our general meeting of shareholders. The domestic demand for consumer goods was very weak under the influence of pension reform for public servants, poor sales amount in real estate market and stock market last year. Furthermore, there were so many unpredictable changes in economies around the world, which made consumers more conservative, and therefore it became a harsh challenge for the operation of our company. The development strategy of the company is pretty clear, and it is to expand the group of our customers by including different types of consumers. Besides our products made of teak, we also have put our emphasis on the differentiation furniture markets such as leather products, system furniture and beddings. We also have our high cost-performance products with the best design that are manufactured in compliance with international standards but have the price of domestic products as the main roles through the strategic moves and promotion of our iconic brands like "Scanteak", "Scanliving" and "Scankomfort". With our competitive strengths including product design, marketing discounts, inventory and logistics control, store positioning and pricing strategy, we have made Scan Group the largest furniture chain in Taiwan. Especially with the help of technology, consumers tend to have more initiative nowadays than in the past in the aspect of shopping scene, timings and information, and they have higher and higher expectations for shopping experience, which is one of the reasons keeping physical retail stores from disappearing. For that 90% of retail sales are still generated from physical stores, the furniture industry with a special nature may provide meaningful customer experience and brand interaction through physical stores more effectively. By the end of 2018, there were totally 122 stores of the brands owned by Scan Groups (84 Scanteak stores, 35 Scanliving stores and 3 Scankomfort store), and Scan Group was still the largest furniture chain in Taiwan. The gross revenue of the company in 2018 reached TWD 1,703 million dollars, which was a 5.63% decrease comparing to the former year. The net income after tax was TWD 167 million dollars, which was a 23.41% decrease comparing to the former year. The operating results in 2018 and the planning for operation in 2019 are provided as follows:

### I • 2018 Business Report

(I)Result of business plan:

Unit: TWD 1000 dollars

Year	2018	2017	Increase	Ratio (%)
Subject				
Operating income	1,703,688	1,805,336	(101,648)	(5.63)%
Operating margin	944,252	1,004,354	(60,102)	(5.98)%
Operating expenses	742,171	750,312	(8,141)	(1.09)%
Business Benefits	202,081	254,042	(51,961)	(20.45)%
Operating foreign Receipts (branch)	9,762	11,473	(1,711)	(14.91)%
Net profit (loss) before tax	211,843	265,515	(53,672)	(20.21)%
Net profit after tax (loss)	167,570	218,776	(51,206)	(23.41)%

(II)Budget performance : NA

(III) Analysis of financial income and expenditure and profitability

Unit: 1000 dollars

Subject		Year	2018	2017	Increase %
Financial Status	Operating income		1,703,688	1,805,336	(5.63)%
	Operating margin		944,252	1,004,354	(5.98)%
	Interest income		249	196	27.04%
	Interest expense		3,398	5,078	(33.08)%
	After-tax pure benefit		167,570	218,776	(23.41)%
Profit	Rate of return on assets (%)		10.88	13.73	(20.76)%
	Rate of return on shareholder equity (%)		16.58	24.23	(31.57)%
	Paid-in ratio(%)	Operating	43.80	57.24	(23.48)%
		Pretax	45.92	59.83	(23.25)%
	Pure benefit rate (%)		9.84	12.12	(18.81)%
	Surplus per share (pure loss) (yuan)		3.67	5.05	(27.33)%

(IV)R&D : NA.

**II - 2019 overview :**

(1) Business policy:

1. 2019 is targeted at the establishment of 15 business positions.
2. Make good use of the advantages of the channel Agent International Furniture Boutique, the implementation of multi-brand strategy management.
3. Continuously increase the Scanliving product line and expand the sales market.
4. Make use of information system to strengthen procurement accuracy and optimize inventory management.

(2) the expected quantity of sales and its basis:

The company will continue to add additional locations and expand its operations in the coming year, with revenue expected to continue to grow in the coming year.

(3) Important production and marketing policies:

1. Multi-brand management as an enterprise development strategy to meet market demand.
2. Strengthen product design capabilities, to provide warm and comfortable, ergonomic furniture.
3. Continue to increase brand penetration and consumer identity, in order to strengthen the sales of existing channels and expand the market share.

The above is the company's current general situation and future development direction, the company continued to uphold the establishment of the "innovation, harmony, pragmatic, speed" business philosophy,towards the Enterprisesustainable management of the side of the effort. We also wish that our shareholders will continue to give their support and encouragement.

Regards

SCAN-D CORPORATION

**SCAN-D CORPORATION**

## Second domestic secured conversion Company Debt

Types of corporate bonds	Second domestic secured conversion Company Debt
Release date	105.12.15
Issue Denomination	TWD100,000 dollars
Issue Price	Paid-in
Total denomination of issue	TWD 300,000,000 dollars
Total amount of = issued	TWD 300,000,000 dollars
Coupon Rate	0%
During the release period	105.12.15-110.12.15
Conversion periodlimit	106.01.16-110.12.15
Convert Premium Rate	102.13%
Latest conversion Price	TWD 43.3 dollars
Terms of the right to sell back bonds	Refer to issuance policy
Conditions for the right to buy back bonds	Refer to issuance policy
Underwriting Agency	Cathay Security
Number of common shares converted as at the date of publication	3,150,287 shares
Amount not converted as of print date	TWD 152,400,000dollars

## **Accountant's Audit Report**

To Scan-D Corporation:

### **Opinion**

I have audited the financial statements of Scan-D Corporation, which comprise the statements of financial position as at 1 January and 31 December 2018 and 31 December 2017, the statements of profit or loss and other comprehensive income from 1 January to 31 December 2018 and from 1 January to 31 December 2017, changes in equity and cash flows for the year then ended, and notes to the financial statements (including a summary of significant accounting policies).

In my opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, explanations and announcements of explanation approved and announced by the Financial Supervisory Commission so as to give a true and fair view of the financial position of the Scan-D Corporation as at 1 January and 31 December 2018, and 1 January and 31 December 2017 and of the financial performance, changes in equity and cash flows of Scan-D Corporation from 1 January to 31 December 2018 and from 1 January to 31 December 2017.

### **Basic for opinion**

I conducted my audit in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. My responsibilities under those standards are further described in the 'Accountant's responsibilities for the audit of the financial statements' section of our report. I am independent of Scan-D Corporation in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key audit matters**

The key audit matters refer to the most important matters in the audit of the 2018 consolidated financial statements of Scan-D Corporation based on professional accounting judgments. These matters have been dealt with in the process of checking the overall consolidated financial statements and forming a review opinion. The accountant does not express a separate opinion on these matters.

The key audit items of the 2018 consolidated financial statements of Scan-D Corporation are described as follows:



### Authenticity of Sales Revenue

Significant audit risk is regarded as existing in the revenue recognition based on the significance and audit guidelines. Because Scan-D Corporation belongs to the furniture retail industry and sells products to non-specific consumers, where there are many miscellaneous transactions, the risk for revenue recognition exists when the sales revenue is generated. Therefore the sales revenue generated from the orders with prices higher than the average sales amount of orders is listed as one of the critical audit matters.

By performing a test of controls, we realized the revenue recognition procedure of Scan-D Corporation and the design and executing condition of related control systems. In addition, we also performed the following main audit procedures:

1. Taking the detail of the sales revenue generated from the orders with prices higher than the average sales amount of orders as the population for the audit, we sampled and verified the orders for transaction and the delivery order.
2. We audited the consistency between the sales amounts of the orders and delivery orders and the recognized sales revenue.
3. According to the condition of payment collecting, we audited the authenticity of the payment amounts and the payers.
4. With the samples for testing selected from the detailed records of sales revenue, we performed the test of details to verify the consistency between the order amounts and the objectives of the orders, the reasonability of dates, and if the order were signed and accepted.
5. We found no significant sales return and allowance existing after the term. (The time after the term was judged based on average credit period.

### **Responsibilities of management and directors for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, explanations and announcements of explanation approved and announced by the Financial Supervisory Commission, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition.

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

The responsibilities of the governing body (including super ) include overseeing Scan-D Corporation's financial reporting process.

## **Auditors' responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with SSAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Scan-D Corporation's internal controls.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Scan-D Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Scan-D Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements (including the relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiencies in internal controls that we identify during our audit).

We also provide the governing body with the statement about the independence specified in the Norm of Professional Ethics for Certified Public Accountant that were complied with by our personnel who should act under the Norm, and we communicated with the governing body about all the relationships that may affect the independence of accountants and other matters (including related protective measures).

We determined the key audit matters that we would like to executed on Scan-D Corporation's consolidated financial statements in 2018 from the communication with the governing unit. We clearly stated the related matters on the audit report unless it is the specific matter that is not allowed to be disclosed to the public according to laws, or under a very rare situation that we decided not to communicate specific matters on the audit report because we can reasonably anticipate the negative influence generated by the communication will be greater than the public interests increased.

Deloitte & Touche

Accountatnt HSIEH, MING-CHUNG

Accountatnt KUO, NAI-HUA

Approved document number by Financial  
Supervisory Commission

Chin-Kuan-Cheng-Shen-Tzu No.  
1000028068

Approved document number by Financial  
Supervisory Commission

Chin-Kuan-Cheng-Shen-Tzu No.  
1070323246

March 21, 2019

Notice to Readers

The translation is made according to the Chinese version of the annual financial statement and the translation has not been approved by certified accountant.

Scan-D Corporation  
Statement of Financial Position  
Dec. 31, 2018 and Dec. 31, 2017

Unit: NT\$1,000

Code	Assets	Dec.31,2018		Dec.31,2017	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 80,044	5	\$ 152,937	10
1110	Financial assets measured at fair value through other comprehensive income - current (Note 4 and 7)	224	-	267	-
1150	Notes receivable-net ( Note 4 and 8 )	-	-	1,328	-
1170	Accounts receivable-net ( Note 4 and 8 )	79,249	5	91,316	6
1200	Other accounts receivable	16	-	1,623	-
130X	Inventory ( Note 4 and 9 )	508,843	33	464,741	29
1410	Payments in advance ( Note 12 )	29,278	2	41,246	3
1470	Other current assets ( Note 12 and 29 )	4,271	-	6,715	-
11XX	Current assets-total	<u>701,925</u>	<u>45</u>	<u>760,173</u>	<u>48</u>
	<b>Non-current assets</b>				
1600	Property, Plant and Equipment ( Note 4, 10 and 29 )	761,985	50	772,661	49
1780	Intangible assets ( Note 4 and 11 )	1,623	-	2,005	-
1840	Deferred income tax assets ( Note 4 and 22 )	1,317	-	1,339	-
1915	Equipment payment paid in advance	30,476	2	1,173	-
1920	Refundable deposits	49,861	3	46,871	3
15XX	Total of non-current assets	<u>845,262</u>	<u>55</u>	<u>824,049</u>	<u>52</u>
1XXX	Total of assets	<u>\$ 1,547,187</u>	<u>100</u>	<u>\$ 1,584,222</u>	<u>100</u>
	<b>L i a b i l i t i e s a n d e q u i t y</b>				
	<b>Current liability</b>				
2130	Contractual liability-current ( Note 20 )	\$ 117,013	8	\$ -	-
2150	Notes payable ( Note 4 and 15 )	32,730	2	43,354	3
2170	Accounts payable ( Note 4 and 15 )	23,406	2	18,625	1
2200	Other accounts payable ( Note 16 )	78,397	5	88,556	6
2230	Income tax liability ( Note 4 and 22 )	21,809	1	29,576	2
2310	Advance Receipts	22,425	2	135,886	8
2322	Long-term loan due within 1 year ( Note 4 and 13 )	5,518	-	5,518	-
2321	Bond due within 1 year ( Note 4 and 14 )	146,150	9	-	-
2399	Other current liabilities	3,675	-	4,330	-
21XX	Current liability-total	<u>451,123</u>	<u>29</u>	<u>325,845</u>	<u>20</u>
	<b>Non-current liability</b>				
2530	Bond payable ( Note 4 and 14 )	-	-	221,117	14
2540	Long-term loan ( Note 4 and 13 )	46,900	3	52,418	3
2550	Provisions - non-current ( Note 4 and 17 )	6,400	1	5,700	1
2645	Guarantee deposits	24	-	-	-
25XX	Total of non-current liabilities	<u>53,324</u>	<u>4</u>	<u>279,235</u>	<u>18</u>
2XXX	Total of liabilities	<u>504,447</u>	<u>33</u>	<u>605,080</u>	<u>38</u>
	<b>Equity ( Note 19 )</b>				
3110	Capital - common stock	461,332	30	443,799	28
3200	Capital reserve	181,931	11	121,908	8
	Retained earnings				
3310	Legal reserve	165,976	11	144,098	9
3350	Retained earnings to be distributed	233,501	15	269,337	17
3300	Retained earnings-total	<u>399,477</u>	<u>26</u>	<u>413,435</u>	<u>26</u>
3XXX	Total of Equity	<u>1,042,740</u>	<u>67</u>	<u>979,142</u>	<u>62</u>
	Total of liabilities and equity	<u>\$ 1,547,187</u>	<u>100</u>	<u>\$ 1,584,222</u>	<u>100</u>

The notes attached are part of the financial report.

Scan-D Corporation  
Consolidated Income Statement

From Jan. 1 to Dec. 31, 2018 and from Jan. 1 to Dec. 31, 2017

Unit: NT\$1,000, 1 dolloar for the earning per share

Code		2018		2017	
		Amount	%	Amount	%
	Operating income ( Note 4 and 20 )				
4110	Sales revenue	\$ 1,707,092	100	\$ 1,804,890	100
4170	Sales return	( 17,202 )	( 1 )	( 17,946 )	( 1 )
4190	Sales discount	( 119 )	-	( 302 )	-
4100	Sales revenue-net	1,689,771	99	1,786,642	99
4800	Other operating revenue	13,917	1	18,694	1
4000	Total of operating income	<u>1,703,688</u>	<u>100</u>	<u>1,805,336</u>	<u>100</u>
	Operating cost ( Note 21 )				
5110	Cost of goods sold	( 748,954 )	( 44 )	( 787,080 )	( 43 )
5800	Other Operating cost	( 10,482 )	( 1 )	( 13,902 )	( 1 )
5000	Operating cost-total	( 759,436 )	( 45 )	( 800,982 )	( 44 )
5900	Gross profit	<u>944,252</u>	<u>55</u>	<u>1,004,354</u>	<u>56</u>
	Operating expenses ( Note 21 )				
6100	Marketing expenses	( 667,305 )	( 39 )	( 675,676 )	( 38 )
6200	Administration expenses	( 74,866 )	( 4 )	( 74,636 )	( 4 )
6000	Total of operating expenses	( 742,171 )	( 43 )	( 750,312 )	( 42 )
6900	Operating profit	<u>202,081</u>	<u>12</u>	<u>254,042</u>	<u>14</u>
	Non-operating income and expenses ( Note 21 )				
7010	Other income	14,222	1	17,005	1
7020	Other profit and loss	( 1,062 )	-	( 454 )	-
7050	Financial costs	( 3,398 )	-	( 5,078 )	-
7000	Total of non-operating income and expenses	<u>9,762</u>	<u>1</u>	<u>11,473</u>	<u>1</u>

<u>Code</u>		<u>2018</u>		<u>2017</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
7900	Net profit before tax	\$ 211,843	13	\$ 265,515	15
7950	Income tax expenses( Note 4 and 22 )	( 44,273 )	( 3 )	( 46,739 )	( 3 )
8200	Net profit of the year	<u>\$ 167,570</u>	<u>10</u>	<u>\$ 218,776</u>	<u>12</u>
	The net profits belong to the owner of the company				
8610	Owner of the company	<u>\$ 167,570</u>	<u>10</u>	<u>\$ 218,776</u>	<u>12</u>
	Earnings per share ( Note 23 )				
	From continuing operations				
9710	Baasic	<u>\$ 3.67</u>		<u>\$ 5.05</u>	
9810	Diluted	<u>\$ 3.43</u>		<u>\$ 4.57</u>	

The notes attached are part of the financial report.

Scan-D Corporation

Statement of Change in Equity

From Jan. 1 to Dec. 31, 2018 and from Jan. 1 to Dec. 31, 2017

Unit: NT\$1,000

Code	Share capital		Retained earnings			Total of equity
	Shares	Amount	Capital reserve	Legal reserve	Retained earnings to be distributed	
A1	42,983	\$ 429,829	\$ 73,426	\$ 127,696	\$ 195,912	\$ 826,863
B1	-	-	-	16,402	( 16,402)	-
B5	-	-	-	-	( 128,949)	( 128,949)
D1	-	-	-	-	218,776	218,776
I1	1,397	13,970	48,482	-	-	62,452
Z1	44,380	443,799	121,908	144,098	269,337	979,142
B1	-	-	-	21,878	( 21,878)	-
B5	-	-	-	-	( 181,528)	( 181,528)
D1	-	-	-	-	167,570	167,570
I1	1,753	17,533	60,023	-	-	77,556
Z1	46,133	461,332	181,931	165,976	233,501	1,042,740

The notes attached are part of the financial report.

Scan-D Corporation  
Statement of Cashflows

From Jan. 1 to Dec. 31, 2018 and from Jan. 1 to Dec. 31, 2017

Unit: NT\$1,000

Code		2018	2017
	Net cash flow from operating activities		
A10000	Net profit before tax this year	\$ 211,843	\$ 265,515
A20010	Income and expenses:		
A20100	Depreciation expense	38,817	42,619
A20200	Amortization fee	1,200	947
A20400	Net profit of the financial assets and liabilities measured at fair value through profit or loss	276	( 1,145)
A20900	Financial costs	3,398	5,078
A21200	Interest income	( 136)	( 104)
A22500	Profit or loss from the disposal of property, plant and equipment	( 222)	3,021
A30000	Change on operating assets and liabilities		
A31130	Notes receivable	1,328	( 958)
A31150	Accounts receivable	12,067	( 6,509)
A31180	Other accounts receivable	1,607	( 1,087)
A31200	Inventory	( 44,102)	( 14,055)
A31230	Payments in advance	11,968	6,417
A31240	Other current assets	2,447	1,511
A32125	Contractual liabilities	( 18,543)	-
A32130	Notes payable	( 10,624)	( 3,366)
A32150	Accounts payable	4,781	( 33,586)
A32180	Other accounts payable	( 12,627)	1,858
A32210	Advance Receipts	22,095	( 4,164)
A32230	Other current liabilities	( <u>655</u> )	( <u>189</u> )
A33000	Cash out flow generated by operation	224,918	261,803
A33300	Interest payable	( 1,042)	( 1,267)
A33500	Income tax payable	( <u>52,018</u> )	( <u>33,633</u> )
AAAA	Net cash outflow from operating activities	<u>171,858</u>	<u>226,903</u>
	Net cash flow in investing activities		
B02700	Acquisition of real estate, plant and equipment	( 24,021)	( 44,648)
B02800	Disposition of real estate, plant and equipment	1,142	35
B03700	Refundable deposits increment	( 2,990)	( 1,846)
B04500	Acquisition of intangible assets	( 818)	( 1,592)



Code		2018	2017
B06500	Increase in other financial assets	(\$ 3)	(\$ 3)
B07100	Increase of prepaid payment for equipment	( 31,175)	11,950
B07500	Interests received	<u>136</u>	<u>104</u>
BBBB	Net cash outflow in investing activities	( <u>57,729</u> )	( <u>36,000</u> )
	Cash flows in fundraising activities		
C01700	Long-term loan repayment	( 5,518)	( 145,803)
C03000	Increase of guarantee deposits	24	-
C04500	Issuance of cash dividends	( <u>181,528</u> )	( <u>128,949</u> )
CCCC	Net cash outflow in fundraising activities	( <u>187,022</u> )	( <u>274,752</u> )
EEEE	Net decrease in cash and cash equivalents	( 72,893)	( 83,849)
E00100	Balance of cash and cash equivalents at the beginning of the year	<u>152,937</u>	<u>236,786</u>
E00200	Balance of cash and cash equivalents at the end of the year	<u>\$ 80,044</u>	<u>\$ 152,937</u>

The notes attached are part of the financial report.

**SCAN-D CORPORATION**

## 2018 Earnings Distribution Proposal

Unit:TWD

Item	Amount	
	Subtotal	Total
Opening undistributed earnings	65,931,265	
Add: After-tax net profit for the current period	167,570,233	
Less: 10% provision for legal reserve	(16,757,023)	
Distributable earnings for the period		216,744,475
Assign items:		
Shareholder dividend (NT\$ 3.0 per share) (Cash dividends NT\$ 3.0 per share)	138,399,681	
Closing undistributed earnings	78,344,794	
Note: calculated on the basis of the issue of common shares issued on the previous day of the company's board of Directors, March 20, 2019.		

**SCAN-D CORPORATION**  
 Procedures for the Acquisition or Disposal of Assets  
 Amendment History

Article	After amendment	Before amendment	Note
Chapter I Article II	<p>Applicable Scope of Assets</p> <p>I ∙ Investments in 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.</p> <p>II ∙ Real property (including land, houses and buildings, investment property, land-use right and construction enterprise inventory) and equipment.</p> <p>III ∙ Memberships.</p> <p>IV ∙ Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p> <p>V ∙ <u>Right of use.</u></p> <p>VI ∙ Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>VII ∙ Derivatives.</p> <p>VIII ∙ Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfers of shares in accordance with law.</p> <p>IX ∙ Other major assets.</p>	<p>Applicable Scope of Assets</p> <p>I ∙ Investments in 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.</p> <p>II ∙ Real property (including land, houses and buildings, investment property, <u>land-use right</u> and construction enterprise inventory) and equipment.</p> <p>III ∙ Memberships.</p> <p>IV ∙ Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p> <p>V ∙ Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>VI ∙ Derivatives.</p> <p>VII ∙ Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfers of shares in accordance with law.</p> <p>VIII ∙ Other major assets.</p>	<p>I ∙ In conjunction with the application of the international Financial Reporting Standards Lease Bulletin No. 16, invoking added the fifth paragraph to expand the scope of the right to use assets and move the current second land use right to the regulation of paragraph V.</p> <p>II ∙ Move V-VIII to VI-IX.</p>
Chapter I Article III	<p>Terms used in the Regulation are defined as follows:</p> <p>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.</p> <p>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</p>	<p>Terms used in the Regulation are defined as follows:</p> <p>I ∙ Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, 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.</p> <p>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</p>	<p>I ∙ In conjunction with the definition of Financial Instrument No. ninth of the International Financial Reporting standards, the scope of derivative commodities is defined.</p> <p>II ∙ nd with the Company Law Article amendment.</p> <p>III ∙ updating the definition of the most recent financial statements.</p>

Article	After amendment	Before amendment	Note
	<p>Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p> <p>III ∙ Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p><u>IV ∙ The Recent Financial Statement refers to the statement verified by CPA before asset acquirement and disposition.</u></p> <p><u>V ∙ 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.</u></p> <p><u>VI ∙ Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</u></p> <p><u>VII ∙ 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.</u></p>	<p>Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.</p> <p>III ∙ Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>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.</p> <p><u>V ∙ Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</u></p> <p><u>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.</u></p>	
<p>Chapter I <u>Article III-I</u></p>	<p><u>III-I The valuation report obtained by the company of the opinion of the accountant, solicitor or securities underwriter, the professional valuer and its valuer, accountant, solicitor or securities underwriter shall comply with the following requirements:</u></p> <p><u>I ∙ It has not been determined by the Declaration of imprisonment for more than one year for violating securities trading laws, company law, banking Law, insurance law, financial holding company law, commercial accounting</u></p>	<p>—</p>	<p>I ∙ Specify the qualification of experts.</p> <p>II ∙ Add second item stating that external experts issue assessment, verification and declaration of valuation reports or submissions.</p>

Article	After amendment	Before amendment	Note
	<p><u>law, or fraud, breach of trade, encroachment, falsification of instruments or criminal conduct in business. Except for those who have completed three years after the completion of the execution, the expiry of the probation or pardon.</u></p> <p><u>II ∙ The parties to the transaction may not be the relationship or have a substantive relationship between the situation.</u></p> <p><u>III ∙ If the company should obtain the valuation report of more than two professional valuers, different professional valuers or valuers may not be related to each other or have a material relationship with the situation.</u></p> <p><u>In issuing a valuation report or submission, the preceding officer shall proceed according to the following matters:</u></p> <p><u>I ∙ Before undertaking a case, we should carefully evaluate their professional ability, practical experience and independence.</u></p> <p><u>II ∙ When checking cases, proper planning and implementation of appropriate operating procedures should be properly planned and implemented in order to form conclusions and produce reports or submissions, and the procedures to be implemented, the collection of data and conclusions will be published in detail in the working papers of the cases.</u></p> <p><u>III ∙ For the data sources, parameters and information used, the completeness, correctness and rationality should be assessed itemized, in order to be the basis for the issuance of valuation reports or submissions.</u></p> <p><u>IV ∙ Declaration matters shall include such matters as the professionalism and independence of the person concerned, the information used in the assessment to be reasonable and correct and the following relevant laws and regulations.</u></p>		
Chapter II Section II ArticleVII	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	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, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or	I ∙ Amend the first item to be limited to domestic government agencies only. II ∙ In conjunction

Article	After amendment	Before amendment	Note
	<p>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 perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) A. 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 execution date; provided, where the publicly announced current value for the same</p>	<p>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 perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and 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 execution date; provided, where the publicly announced current value for the same</p>	<p>with the application of the international Financial Reporting Standards Lease Bulletin No. 16th, invoking amended the first item to incorporate the right to use assets into this regulation.</p> <p>III、 The first paragraph should be amended in writing to operate by law.</p>

Article	After amendment	Before amendment	Note
	period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	
Chapter II Section II Article IX	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; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	Where the Company acquires or disposes of intangible assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, 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; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	Same as Article VII, and revise the wording.
Chapter II Section II Article X	Article X The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 33, 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 IX-I The calculation of the transaction amounts referred to in the preceding three articles shall be done 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 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.	Item no. change; adjust legal basis.
Chapter II Section II Article XI	Article XI 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 X 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.	Clause no. change.
Chapter III Article XII	Article XII The company shall acquire or dispose the assets according to the related regulation of authorized amount and decision hierarchy of the Hierarchy Table. Total investment in real property and marketable securities by the company and each subsidiary for non-business use is limited as described below: I、 Total investment in non-business use real property shall not exceed 20 percent of the Company's total paid-in capital. II、 Total investment in securities shall not exceed 80 percent of the Company's total paid-in Capital. III、 Individual investment in each security shall not exceed 50 percent of the Company's total paid-in capital. <u>The limits of the individual acquisition of immovable property and its right to use assets or marketable securities for which the subsidiary of the company is not intended to operate are as follows :</u>	Article XI The company shall acquire or dispose the assets according to the related regulation of authorized amount and decision hierarchy of the Hierarchy Table. Total investment in real property and marketable securities by the company and each subsidiary for non-business use is limited as described below: I、 Total investment in non-business use real property shall not exceed 20 percent of the Company's total paid-in capital. II、 Total investment in securities shall not exceed 50 percent of the Company's total paid-in Capital. III、 Individual investment in each security shall not exceed 25 percent of the Company's total paid-in capital.	I、 In conjunction with the provisions of Lease Bulletin No. 16th of the International Financial Reporting standards, the assets used for immovable property that are not for business use are included in the limits of the company's processing procedures. II、 Cooperate with the practical

Article	After amendment	Before amendment	Note
	<p><u>I、The total amount of immovable property and its right to use assets not to be used for business shall not exceed 20% of the company's most recent net financial statements.</u></p> <p><u>II、The total amount of the investment securities shall not exceed 80% of the company's most recent net financial statements.</u></p> <p><u>III、The investment of individual securities shall not exceed 50% of the company's most recent net financial statements.</u></p>		<p>operation of the company to improve the total amount of securities obtained and the limits of individual securities.</p> <p>III、To update the total amount of immovable property and its right to use assets or marketable securities and the limits of individual securities obtained by the subsidiary.</p>
Chapter III Article XIII	Article XIII、The executive unit is the general Manager's Office in accordance with the authority to deliver the department, the company's personnel in violation of the "public issuing company acquisition or disposition of asset disposal guidelines" or the provisions of this procedure, in accordance with the provisions of the company penalties.	Article XII、The executive unit is the general Manager's Office in accordance with the authority to deliver the department, the company's personnel in violation of the "public issuing company acquisition or disposition of asset disposal guidelines" or the provisions of this procedure, in accordance with the provisions of the company penalties.	Clause no. change.
Chapter III Article XIV	Article XIV、The acquisition and disposition of real estate by the company shall be handled in accordance with the operating procedures stipulated in the company's non-active production, plant room and equipment cycle. The acquisition and disposition of real estate by the company shall be handled in accordance with the operating procedures stipulated in the company's non-active production, plant room and equipment cycle.	Article XIII、The acquisition and disposition of real estate by the company shall be handled in accordance with the operating procedures stipulated in the company's non-active production, plant room and equipment cycle.	Clause no. change.
Chapter III Article XV	Article XV、The securities obtained by the company are in accordance with the generally accepted accounting principles to make a reasonable evaluation, a variety of securities vouchers registered by the accounting department after the storage of safe deposit boxes.	Article XIV、The securities obtained by the company are in accordance with the generally accepted accounting principles to make a reasonable evaluation, a variety of securities vouchers registered by the accounting department after the storage of safe deposit boxes.	Clause no. change.
Chapter IV Article XVI	Article XVI、The company and the related person to acquire or dispose of assets, in addition to the foregoing and the provisions of this chapter to handle the relevant resolution procedures and assess	Article XV、The company and the related person to acquire or dispose of assets, in addition to the foregoing and the provisions of this chapter to handle the relevant resolution procedures and assess	Clause no. change. And change the legal basis.



Article	After amendment	Before amendment	Note
	<p>the reasonableness of trading conditions, such as the transaction amount of more than 10% of the company's total assets, should also be in accordance with the provisions of chapter II to obtain a professional valuer issued by the valuation report or accountant's opinion</p> <p>The calculation of the amount of the preceding payment shall be governed by regulation 10.</p> <p>In order to determine whether the subject of the transaction is a relational person, in addition to paying attention to its legal form, the substantive relationship should be considered.</p>	<p>the reasonableness of trading conditions, such as the transaction amount of more than 10% of the company's total assets, should also be in accordance with the provisions of chapter II to obtain a professional valuer issued by the valuation report or accountant's opinion</p> <p>The calculation of the amount of the preceding payment shall be governed by the rules 9-1.</p> <p>In order to determine whether the subject of the transaction is a relational person, in addition to paying attention to its legal form, the substantive relationship should be considered.</p>	
<p>ChapterIV ArticleXVII</p>	<p>Article XVII ∙ When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property or right of use from or to a related party and 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, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>I ∙ The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>II ∙ The reason for choosing the related party as a transaction counterparty.</p> <p>III ∙ With respect to the acquisition of real property or right of use from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the exclusion clauses as set forth in Article XVIII and Article XIX.</p> <p>IV ∙ The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>V ∙ Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the</p>	<p>Article XVI ∙ When the Company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and 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, except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>I ∙ The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>II ∙ The reason for choosing the related party as a transaction counterparty.</p> <p>III ∙ With respect to the acquisition of real property from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with the exclusion clauses as set forth in Article XVII and Article XVIII.</p> <p>IV ∙ The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>V ∙ Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the</p>	<p>I ∙ the article changes, and adjust the citation of the article.</p> <p>II ∙ in conjunction with the application of the international Financial Reporting Standards 16th Lease Bulletin Provisions, the right to use assets into the norms of this article.</p> <p>III ∙ to relax the company and its subsidiaries, or their subsidiaries directly or indirectly owned by each other, to acquire or dispose of equipment for business use, their right of use assets or assets for the right to use real estate for business, and may authorize the Chairman to proceed</p>

Article	After amendment	Before amendment	Note
	<p>necessity of the transaction, and reasonableness of the funds 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 - Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts shall be made in accordance with Subparagraph II, Article XXXIII 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 board of directors and recognized by the supervisors hereunder need not be counted toward the transaction amount.</p> <p>Where machinery and equipment are acquired or disposed of for business use between the Company and its subsidiaries, the Company's board of directors may pursuant to Article 4 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><u>The Board of directors may, in accordance with the provisions of chapter III, authorize the Chairman to make the following transactions between the company and its subsidiaries, or its subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, and to report the most recent board confirmation after the latest:</u></p> <p><u>I - To acquire or dispose of equipment for business use or the assets in which it is used.</u></p> <p><u>II - The acquisition or disposition of real estate right to use assets for business.</u></p> <p>If an independent director has been set up in accordance with the provisions, the views of the independent directors shall be fully taken into account in the presentation of the Board's discussions in accordance with the first provision, and the Independent director shall include in the proceedings of the board if he has objections or reservations.</p> <p>If the Board of Auditors has been established in accordance with the provisions, the matters to be recognized by the Ombudsperson in accordance with the</p>	<p>transaction, and reasonableness of the funds 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 - Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts shall be made in accordance with Subparagraph II, Article XXXII 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 board of directors and recognized by the supervisors hereunder need not be counted toward the transaction amount.</p> <p>Where machinery and equipment are acquired or disposed of for business use between the Company and its subsidiaries, the Company's board of directors may pursuant to Article 4 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>If an independent director has been set up in accordance with the provisions, the views of the independent directors shall be fully taken into account in the presentation of the Board's discussions in accordance with the first provision, and the Independent director shall include in the proceedings of the board if he has objections or reservations.</p> <p>If the Board of Auditors has been established in accordance with the provisions, the matters to be recognized by the Ombudsperson in accordance with the</p>	<p>first.</p>

Article	After amendment	Before amendment	Note
	first provision shall be subject to the consent of all 1/2 members of the Board of Auditors and to the resolution of the Board of Trustees. The auditor committee shall approve the preceding paragraph and report to the board to apply for the regulatiuon of articel37-4 and 5.	first provision shall be subject to the consent of all 1/2 members of the Board of Auditors and to the resolution of the Board of Trustees. The auditor committee shall approve the preceding paragraph and report to the board to apply for the regulatiuon of articel35-4 and 5.	
Chapter IV Article XVIII	<p>Article XVIII The rationality of the related party trade concerning tight of use and real estate transaction shall be as follows:</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 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>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>Where land and structures thereupon are combined as a single property purchased 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 subparagraphs 1 and 2.</p> <p>The Company that acquires real property or right of use from a related party shall appraise the reasonableness of transaction costs by taking the following approaches and engage a CPA to check the appraisal and render a specific opinion, except in the following three situations:</p> <p>I 、 The related party acquired the real property and right of use 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</p>	<p>Article XVII The rationality of the related party trade shall be as follows:</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 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>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>Where land and structures thereupon are combined as a single property purchased 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 subparagraphs 1 and 2.</p> <p>The Company that acquires real property from a related party shall appraise the reasonableness of transaction costs by taking the following approaches and engage a CPA to check the appraisal and render a specific opinion, except in the following three situations:</p> <p>I 、 The related party acquired the real property 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</p>	<p>I 、 clause change.</p> <p>II 、 In conjunction with the application of the international Financial Reporting Standards Lease Bulletin No. 16, invoking amendments to items 1-4, the lease to the person to obtain the right to use real estate assets into the norms of this article.</p> <p>III 、 excludes the provision that the company and its subsidiaries, or their subsidiaries directly or indirectly owned by them, obtain the right to use real estate for business, in accordance with this article, shall assess the reasonableness of transaction costs.</p> <p>IV 、 Revision of wording.</p>

Article	After amendment	Before amendment	Note
	<p>to the signing date for the current transaction; and</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><u>IV、The company and its subsidiaries, or their subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, acquire assets for the right to use real estate for business.</u></p>	<p>to the signing date for the current transaction; and</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>Chapter IV Article XIX</p>	<p>Article XIX、When the results of the Company's appraisal conducted in accordance with the preceding Article XX reveal that the transaction cost is uniformly lower than the transaction price, the provisions of Paragraph 3 shall apply, with the exception of where the following circumstances exist and where objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA.</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 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</p>	<p>Article XVIII、When the results of the Company's appraisal conducted in accordance with the preceding Article XIX reveal that the transaction cost is uniformly lower than the transaction price, the provisions of Paragraph 3 shall apply, with the exception of where the following circumstances exist and where objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA.</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 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</p>	<p>I、Clause change.</p> <p>II、In conjunction with the practical operation of real estate leasing such as plant, it is relaxed to obtain the assets of real estate right of use for the related person, and the non-related person lease transaction can be used as a reference case to calculate and estimate the price rationality of the transaction within one year.</p>

Article	After amendment	Before amendment	Note
	<p>similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale practices.</p> <p>II、Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding subparagraph 2 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 and the right of use.</p>	<p>similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale practices.</p> <p>(III) Completed leases by unrelated parties within the preceding year involving other floors of the same property, where the transaction terms are similar after calculation of reasonable price discrepancies in floor in accordance with standard property market leasing practices.</p> <p>II、Where the Company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding subparagraph 2 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.</p>	
<p>Chapter IV Article XX</p>	<p>Article XX、Where the Company acquires real property or right of use from a related party and the results of appraisals conducted in accordance with the preceding article reveal that the transaction cost is uniformly lower than the transaction price, the following steps shall be taken in the absence of the circumstances referred to in Article 1:</p> <p>I、A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. A special reserve set aside may not utilize the special reserve until it has recognized</p>	<p>Article XIX、Where the Company acquires real property from a related party and the results of appraisals conducted in accordance with the preceding article reveal that the transaction cost is uniformly lower than the transaction price, the following steps shall be taken in the absence of the circumstances referred to in Article 1:</p> <p>I、A special reserve shall be set aside in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. A special reserve set aside may not utilize the special reserve until it has recognized</p>	<p>I、Clause change. II、In conjunction with the provisions of lease bulletin 16th of the International Financial Reporting standards, the assets used to obtain the right to use real estate will be leased to the relevant persons,</p>

Article	After amendment	Before amendment	Note
	<p>a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of 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>II ∙ Supervisors shall comply with Article 218 of the Company Act; company with auditor committee shall apply the regulation of preceding paragraph.</p> <p>III ∙ Actions taken pursuant to the preceding subparagraphs I. and II. shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>If the Company has set aside a special reserve under this subparagraph, the Company may not utilize the special reserve until it has recognized a loss or decline in market value of the assets it purchased at a premium, or they have been disposed of, 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 authority in charge has given its consent.</p> <p>When the Company acquires real property <u>or right of use</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding two paragraphs of this Article.</p>	<p>a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of 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>II ∙ Supervisors shall comply with Article 218 of the Company Act.</p> <p>III ∙ Actions taken pursuant to the preceding subparagraphs I. and II. shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>If the Company has set aside a special reserve under this subparagraph, the Company may not utilize the special reserve until it has recognized a loss or decline in market value of the assets it purchased at a premium, or they have been disposed of, 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 authority in charge has given its consent.</p> <p>When the Company acquires real property from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding two paragraphs of this Article.</p>	<p>incorporating the applicable norms when the cost is lower than the transaction price.</p> <p>III ∙ A company that has established an audit committee, the preceding paragraph of which is applicable to independent directors of the Board of Auditors.</p> <p>IV ∙ Wording revision.</p>
<p>ChapterV ArticelXXI</p>	<p>Articel XXI ∙ The trading principles and policies of the company engaged in derivative commodity trading :</p> <p>I ∙ Type of transaction: Only foreign exchange and interest rates is approved; the rest of the derivative goods if the need to engage in transactions should be approved by the Board of Directors to start trading</p> <p>II ∙ Operation strategy: The subject of the transaction shall, in accordance with the operating needs of the company, choose a financial institution with better conditions to engage in safe-haven transactions in order to avoid the creation of credit risk; At the same time, foreign exchange operations must be clearly defined as a risk-averse or the pursuit of</p>	<p>ArticelXX ∙ The trading principles and policies of the company engaged in derivative commodity trading :</p> <p>I ∙ Type of transaction: Only foreign exchange and interest rates is approved; the rest of the derivative goods if the need to engage in transactions should be approved by the Board of Directors to start trading</p> <p>II ∙ Operation strategy: The subject of the transaction shall, in accordance with the operating needs of the company, choose a financial institution with better conditions to engage in safe-haven transactions in order to avoid the creation of credit risk; At the same time, foreign exchange operations must be clearly defined as a risk-averse or the pursuit of</p>	<p>Clause change.</p>

Article	After amendment	Before amendment	Note
	<p>investment income, such as financial operations, as the basis for accounting.</p> <p>III ∙ Division of responsibilities: The company's finance staff is responsible for the operation of the above derivative commodities, and on schedule to assess the exchange rate, interest rate of the future trend, capture the foreign exchange market information, familiar with financial goods, regulations and laws and operational skills, etc., must be at your fingertips, provide sufficient timely information to the relevant departments for reference.</p> <p>IV ∙ Quota :</p> <p>1. Avoidance trading Limit: The total amount of the contract relating to foreign currency hedging forward foreign exchange operations shall not exceed the total foreign currency demand of the company for the actual import of raw material equipment and foreign investment each year.</p> <p>2. Investment transaction limit: Based on the forecast of market changes, the Treasurer may draw up the exchange rate and interest rate trading plan according to the need, the total part is limited to 20% of the company's net value.</p> <p>V ∙ Performance evaluation: According to the size of the commodity part of the transaction, set the profit and loss target, this goal must be included in the performance evaluation, regular review, the trader to provide the exchange of commodity parts evaluation report layer to the Chairman, as a management and reference.</p> <p>VI ∙ The maximum amount of the loss is set: In order for the loss of the operating derivative commodity not to be expanded, the criterion for setting the operating stop loss point shall be the upper limit of the total unrealized loss (net of the total profit and loss) not exceeding 1% of the net value. The upper limit of unrealized losses on individual contractual transactions shall not exceed 10% of the total unrealized loss (net of profit and loss).</p> <p>VII ∙ Authorization amount: Less than 60 million of the transaction amount is</p>	<p>investment income, such as financial operations, as the basis for accounting.</p> <p>III ∙ Division of responsibilities: The company's finance staff is responsible for the operation of the above derivative commodities, and on schedule to assess the exchange rate, interest rate of the future trend, capture the foreign exchange market information, familiar with financial goods, regulations and laws and operational skills, etc., must be at your fingertips, provide sufficient timely information to the relevant departments for reference.</p> <p>IV ∙ Quota :</p> <p>1. Avoidance trading Limit: The total amount of the contract relating to foreign currency hedging forward foreign exchange operations shall not exceed the total foreign currency demand of the company for the actual import of raw material equipment and foreign investment each year.</p> <p>2. Investment transaction limit: Based on the forecast of market changes, the Treasurer may draw up the exchange rate and interest rate trading plan according to the need, the total part is limited to 20% of the company's net value.</p> <p>V ∙ Performance evaluation: According to the size of the commodity part of the transaction, set the profit and loss target, this goal must be included in the performance evaluation, regular review, the trader to provide the exchange of commodity parts evaluation report layer to the Chairman, as a management and reference.</p> <p>VI ∙ The maximum amount of the loss is set: In order for the loss of the operating derivative commodity not to be expanded, the criterion for setting the operating stop loss point shall be the upper limit of the total unrealized loss (net of the total profit and loss) not exceeding 1% of the net value. The upper limit of unrealized losses on individual contractual transactions shall not exceed 10% of the total unrealized loss (net of profit and loss).</p> <p>VII ∙ Authorization amount: Less than 60 million of the transaction amount is</p>	

Article	After amendment	Before amendment	Note
	<p>approved by the Chairman, and more than 60 million must be started with the consent of the Board of Directors.</p> <p>VIII ∙ Execution unit: In order to make the transaction authority consistent, the company's financial personnel to serve.</p>	<p>approved by the Chairman, and more than 60 million must be started with the consent of the Board of Directors.</p> <p>VIII ∙ Execution unit: In order to make the transaction authority consistent, the company's financial personnel to serve.</p>	
<p>ChapterV Article XXII</p>	<p>Article XXII ∙ The Company engaging in derivatives trading shall adopt the following risk management measures:</p> <p>I ∙ Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.</p> <p>II ∙ Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</p> <p>III ∙ 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.</p> <p>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.</p> <p>V ∙ Other important risk management measures.</p>	<p>Article XXI ∙ The Company engaging in derivatives trading shall adopt the following risk management measures:</p> <p>I ∙ Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.</p> <p>II ∙ Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.</p> <p>III ∙ 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.</p> <p>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.</p> <p>V ∙ Other important risk management measures.</p>	<p>I ∙ Clause change.</p> <p>II ∙ Wording revision.</p>
<p>Chapter V Article XXIII</p>	<p>Article XXIII ∙ The 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>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</p>	<p>Article XXII ∙ The 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>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</p>	<p>I ∙ Clause change.</p> <p>II ∙ Wording revision.</p>



Article	After amendment	Before amendment	Note
	<p>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>The 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.</p>	<p>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>The 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.</p>	
<p>Chapter V Article XXIV</p>	<p>Article XXIV、If the company is engaged in the trading of derivative commodities, it shall establish a reference book on the types and amounts engaged in derivative commodity transactions, the date of adoption of the Board of Directors and the matters to be carefully assessed in Accordance with article, the first and second paragraph of article XXII and the first paragraph, details are published in the memorandum Book for reference.</p> <p>The internal auditor of the company shall regularly understand the permissible of the internal control of derivative commodity transactions and, in accordance with the monthly audit, the trading department shall make an audit report on the compliance with the procedures for engaging in derivative commodity transactions, and notify the monitors in writing if significant irregularities are found.</p> <p><u>If an independent director has been set up in accordance with the regulations, the Independent Director shall be notified in writing of the matters notified to the supervisors in accordance with the preceding paragraph.</u></p> <p><u>If the Board of Auditors has been established in accordance with the regulations, the second requirement for the Ombudsman shall be used by the Board of Auditors.</u></p>	<p>Article XXIII、If the company is engaged in the trading of derivative commodities, it shall establish a reference book on the types and amounts engaged in derivative commodity transactions, the date of adoption of the Board of Directors and the matters to be carefully assessed in Accordance with article IV, the first and second paragraph of article XXII and the first paragraph, details are published in the memorandum Book for reference.</p> <p>The internal auditor of the company shall regularly understand the permissible of the internal control of derivative commodity transactions and, in accordance with the monthly audit, the trading department shall make an audit report on the compliance with the procedures for engaging in derivative commodity transactions, and notify the monitors in writing if significant irregularities are found.</p>	<p>I、Clause change.</p> <p>II、Specifying that independent directors have been established in accordance with the law, shall also notify independent directors in writing of the discovery of major derivative commodity violations.</p> <p>III、A new item fourth, identifying the companies that have set up audit committees, found that major derivative commodity violations should be notified in writing to the</p>

Article	After amendment	Before amendment	Note
			Commission. III - Adjust reference, Wording revision.
Chapter VI Article XXV	Article XXV - 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 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.	Article XXIV - 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 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.	Clause change.
Chapter VI Article XXVI	Article XXVI - The Company handling a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve 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. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution for some reason or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.	Article XXV - The Company handling a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters prior to the shareholders meeting and include it along with the expert opinion referred to in the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve 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. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution for some reason or the proposal is rejected by the shareholders meeting, the Company shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.	Clause change.
Chapter VI Article XXVII	Article XXVII - The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the	Article XXVI - The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the	I - Clause change. II - Wording revision.

Article	After amendment	Before amendment	Note
	<p>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. The 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.</p> <p>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:</p> <p>I ∙ 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.</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 board of directors meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, the 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.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or</p>	<p>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. The 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.</p> <p>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:</p> <p>I ∙ 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.</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 board of directors meetings.</p> <p>When participating in a merger, demerger, acquisition, or transfer of another company's shares, the 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.</p> <p>Where any of the companies participating in a merger, demerger, acquisition, or</p>	

Article	After amendment	Before amendment	Note
	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 and three paragraphs.	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 four and three paragraphs.	
Chapter VI Article XXVIII	Article XXVIII · 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 related company.	Article XXVII · 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 related company.	Clause change.
Chapter VI Article XXIX	Article XXIX · · An action, such as a disposal of major assets that affects the company's financial operations. I · Conduct Capital Increased by Cash, issue conversion company debt, stock grant, company bond with attached warrant, special shares with attached warrant, warrants of equity and other securities of an equity nature. II · Events affected the financial status of the company such as disposition of major assets of the company. III · An event, such as a major disaster or major change in technology that affects shareholder equity or share price. IV · An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock. V · An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares. VI · Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.	Article XXVIII · · An action, such as a disposal of major assets that affects the company's financial operations. I · Conduct Capital Increased by Cash, issue conversion company debt, stock grant, company bond with attached warrant, special shares with attached warrant, warrants of equity and other securities of an equity nature. II · Events affected the financial status of the company such as disposition of major assets of the company. III · An event, such as a major disaster or major change in technology that affects shareholder equity or share price. IV · An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock. V · An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares. VI · Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.	Clause change.
Chapter VI Article XXX	Article XXX · The contract for participation by the Company in a merger, demerger, acquisition, or share transfer shall record the rights and obligations of the participating companies and the situation where the share exchange ratio or acquisition price may be changed referred to in the preceding paragraph, and shall also record the following: I · Handling of breach of contract. II · Principles for the handling of	Article XXIX · The contract for participation by the Company in a merger, demerger, acquisition, or share transfer shall record the rights and obligations of the participating companies and the situation where the share exchange ratio or acquisition price may be changed referred to in the preceding paragraph, and shall also record the following: I · Handling of breach of contract. II · Principles for the handling of	Clause change.

Article	After amendment	Before amendment	Note
	<p>equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.</p> <p>III ∙ 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.</p> <p>IV ∙ The manner of handling changes in the number of participating entities or companies.</p> <p>V ∙ Preliminary progress schedule for plan execution, and anticipated completion date.</p> <p>VI ∙ Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.</p>	<p>equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.</p> <p>III ∙ 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.</p> <p>IV ∙ The manner of handling changes in the number of participating entities or companies.</p> <p>V ∙ Preliminary progress schedule for plan execution, and anticipated completion date.</p> <p>VI ∙ Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.</p>	
Chapter VI Article XXXI	Article XXXI ∙ 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 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.	Article XXX ∙ 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 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.	Clause change.
Chapter VI Article XXXII	Article XXXII ∙ If any company involved in the merger, demerger, acquisition and transfer of shares is not a publicly listed company, the Company shall sign an agreement with it and proceed according to the Article XXVII, XXVIII.	Article XXXI ∙ If any company involved in the merger, demerger, acquisition and transfer of shares is not a publicly listed company, the Company shall sign an agreement with it and proceed according to the Article XXVI, XXVII, XXX.	I ∙ Clause change. II ∙ To amend the text and adjust the invocation of the article.
Chapter VII Article XXXIII	Article XXXIII ∙ Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:	Article XXXII ∙ Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:	I ∙ Clause change. II ∙ The public debt set out in this article is limited to domestic public debt. III ∙ In

Article	After amendment	Before amendment	Note
	<p>I、Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property or right of use 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 government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II、Mergers, demergers, acquisition, or transfers 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 assets acquired or disposed of are equipment for business use, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:  (I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.  (II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>V、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 the amount the Company expects to invest in the transaction does not reach NT\$500 million or more.</p> <p>VI、Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, a disposal of receivables by a financial institution, or an investment in the China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p>	<p>I、Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property 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 government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>II、Mergers, demergers, acquisition, or transfers 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 assets acquired or disposed of are equipment for business use, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:  (I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.  (II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>V、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 the amount the Company expects to invest in the transaction does not reach NT\$500 million or more.</p> <p>VI、Where an asset transaction other than any of those referred to in the preceding 5 subparagraphs, a disposal of receivables by a financial institution, or an investment in the China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p>	<p>conjunction with the application of the international Financial Reporting Standards Lease Bulletin No. 16, the right to use assets are incorporated into this regulation.</p> <p>IV、Consider the first paragraph of the first section of the notice of the relationship between the relevant person transactions, the same fifth section is the regulation of non-related transactions in the case, in order to facilitate the company to follow, invoking amendment to think clear.</p> <p>V、Wording revision.</p>

Article	After amendment	Before amendment	Note
	<p>(I) Trading of government bonds.            (II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>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 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 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>"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.</p> <p>The Company shall compile monthly reports on its assets acquired or disposed of or derivatives trading reaching the standards for public announcement and report or the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts,</p>	<p>(I) Trading of government bonds.            (II) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>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 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 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>"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.</p> <p>The Company shall compile monthly reports on its assets acquired or disposed of or derivatives trading reaching the standards for public announcement and report or the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The Company acquiring or disposing of assets shall keep all relevant contracts,</p>	

Article	After amendment	Before amendment	Note
	meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.	meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.	
Chapter VII ArticleXXXIV	<p>Article XXXIV ∙ After the company has announced the declaration of the Transaction in accordance with the provisions of the preceding article, one of the following circumstances shall be within 2 days from the date of the fact that the relevant information will be declared on the website designated by the Financial Supervisory Commission for announcement:</p> <p>I ∙ Change, termination or dissolution of the relevant contract signed by the original transaction.</p> <p>II ∙ Mergers, splits, acquisitions or share purchases are not completed according to the contract schedule.</p> <p>III ∙ The contents of the original announcement have been changed.</p>	<p>ArticleXXXIII ∙ After the company has announced the declaration of the Transaction in accordance with the provisions of the preceding article, one of the following circumstances shall be within 2 days from the date of the fact that the relevant information will be declared on the website designated by the Financial Supervisory Commission for announcement:</p> <p>I ∙ Change, termination or dissolution of the relevant contract signed by the original transaction.</p> <p>II ∙ Mergers, splits, acquisitions or share purchases are not completed according to the contract schedule.</p> <p>III ∙ The contents of the original announcement have been changed.</p>	Clause change.
Chapter VIII Article XXXV	<p>Article XXXV ∙ Management on subsidiary acquiring assets:</p> <p>I ∙ The subsidiaries of the Company should establish their own respective Procedures for Acquisition or Disposal of Assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the R.O.C.</p> <p>II ∙ When a subsidiary acquires or disposes of an asset, it shall also, in accordance with the operating procedures of that subsidiary, seek the consent of the company in writing when the authorized amount exceeds the nuclear determination authority of the manager of the subsidiary.</p> <p>If the subsidiary is not a public listed company in the R.O.C., the Company will proceed with the disclosure and report if the subsidiary satisfies the criteria set forth in Chapter 3 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the R.O.C.</p> <p>The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to paragraph 1 of Article XXXII-I of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the R.O.C., which requires a public announcement and</p>	<p>Article XXXIV ∙ Management on subsidiary acquiring assets:</p> <p>I ∙ The subsidiaries of the Company should establish their own respective Procedures for Acquisition or Disposal of Assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the R.O.C.</p> <p>II ∙ When a subsidiary acquires or disposes of an asset, it shall also, in accordance with the operating procedures of that subsidiary, seek the consent of the company in writing when the authorized amount exceeds the nuclear determination authority of the manager of the subsidiary.</p> <p>If the subsidiary is not a public listed company in the R.O.C., the Company will proceed with the disclosure and report if the subsidiary satisfies the criteria set forth in Chapter 3 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the R.O.C.</p> <p>The paid-in capital or total assets of the Company shall be the standard for determining whether or not a subsidiary referred to in the preceding paragraph is subject to paragraph 1 of Article XXXII-I of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the R.O.C., which requires a public announcement and</p>	<p>I ∙ Adjust the citation of the article</p> <p>II ∙ The announcement and Declaration standard of the subsidiary shall be consistent with that of its parent company, so that the text is adjusted as the discretion.</p>



Article	After amendment	Before amendment	Note
	regulatory filing in the event that the type of transaction specified therein reaches XXXIII percent of paid-in capital or 10 percent of total assets.	regulatory filing in the event that the type of transaction specified therein reaches 20 percent of paid-in capital or 10 percent of total assets.	
ChapterVIII Article XXXVI	<p>Article XXXVI · When calculating the “10 percent of total assets” as stipulated in the Procedures, “total assets” shall refer to the value of the total assets as stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>If the shares of the company are non-denomination or denomination per share is not NT \$10, the transaction amount of 20% of the capital received in this procedure shall be calculated on the basis of the equity of the owner of the parent company 10%. This procedure is based on the transaction amount of \$10 billion for the paid-in capital, which is calculated by NT \$20 billion for the equity attributable to the owner of the parent company</p>	<p>ArticleXXXIV-I · When calculating the “10 percent of total assets” as stipulated in the Procedures, “total assets” shall refer to the value of the total assets as stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>If the shares of the company are non-denomination or denomination per share is not NT \$10, the transaction amount of 20% of the capital received in this procedure shall be calculated on the basis of the equity of the owner of the parent company 10%.</p>	<p>I · Clause change.</p> <p>II · In addition to the second paragraph, it is prescribed that the shares of the company are non-denomination or the denomination per share is not NT \$10, and the calculation of the amount of capital received by Article to NT \$10 billion.</p>
Chapter VIII Article XXXVII	<p>Article XXXVII · After the adoption of this procedure by the Board of directors, the Inspectors are sent to the monitors and the shareholders ' meeting agrees, and the amendments are also the same. In the event of an objection by a director and a record or written statement, the company shall send the directors ' objection data to the supervisors.</p> <p>If an independent director has been set up, the opinions of the independent directors shall be fully taken into account when the procedures for obtaining or disposing of the disposal of assets are submitted to the Board for discussion in accordance with the provisions of the "Guidelines for the handling of asset processing by the public offering company", and the independent director shall include in the proceedings of the minutes.</p> <p>After the Company has established an Audit Committee, the adoption or amendment of the Procedures should be made in accordance to paragraph 4 of this Article. If the amendments are not approved by more than half of all Audit Committee members may be alternatively approved by more than two thirds of all Directors. The resolution adopted by the Audit Committee shall be recorded in the minutes of the Board of Directors meeting. The terms "all Audit Committee members"</p>	<p>Article XXXV · After the adoption of this procedure by the Board of directors, the Inspectors are sent to the monitors and the shareholders ' meeting agrees, and the amendments are also the same. In the event of an objection by a director and a record or written statement, the company shall send the directors ' objection data to the supervisors.</p> <p>If an independent director has been set up, the opinions of the independent directors shall be fully taken into account when the procedures for obtaining or disposing of the disposal of assets are submitted to the Board for discussion in accordance with the provisions of the "Guidelines for the handling of asset processing by the public offering company", and the independent director shall include in the proceedings of the minutes.</p> <p>After the Company has established an Audit Committee, the adoption or amendment of the Procedures should be made in accordance to paragraph 4 of this Article. If the amendments are not approved by more than half of all Audit Committee members may be alternatively approved by more than two thirds of all Directors. The resolution adopted by the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p>	<p>I · Clause change.</p> <p>II · The terms of reference of the Ombudsman shall be exercised by the members of the Board of Auditors or the independent directors of the Board of Auditors, and items sixth and seventh have been deleted in clear text.III · Move the previous revision dates of this handler to Article.</p>

Article	After amendment	Before amendment	Note
	<p>in paragraph 4 and "all Directors" in the preceding paragraph shall be defined based on the actual number of persons currently holding those positions.</p>	<p>The terms "all Audit Committee members" in paragraph 4 and "all Directors" in the preceding paragraph shall be defined based on the actual number of persons currently holding those positions.</p> <p>If the Board of Auditors has been established in accordance with the regulations, the provisions of Article XXIII shall be used by the Board of Auditors.</p> <p>If the Board of Auditors has been established in accordance with the regulations, the provisions of Article XIX-XII shall be used by the independent directors.</p> <p>The procedure was established on Jun.3, 2003.</p> <p>1st amendenment was made on Jun.15,2007.</p> <p>2nd amendenment was made on Aug.30,2010.</p> <p>3rd amendenment was made on Jun.28,2012.</p> <p>4th amendenment was made on Jun.19,2014.</p> <p>5th amendenment was made on Jun.22,2017</p>	
<p>Chapter VIII <u>Article XXXVIII</u></p>	<p><u>Article XXXVIII</u> ∙ The procedure was established on Jun.3, 2003.</p> <p>1st amendenment was made on Jun.15,2007.</p> <p>2nd amendenment was made on Aug.30,2010.</p> <p>3rd amendenment was made on Jun.28,2012.</p> <p>4th amendenment was made on Jun.19,2014.</p> <p>5<sup>th</sup> amendenment was made on Jun.22,2017.</p> <p>6<sup>th</sup> amendenment was made on Jun.20,2019</p>	<p>—</p>	<p>I ∙ New clause II ∙ update date.</p>

**SCAN-D CORPORATION**  
 Procedure to grant loan and endorsement  
 Amendment Comparison

Article	After amendment	Before amendment	Note
Chapter I Article I	These Regulations are promulgated pursuant to Article 36-1 of the Public Company Loan and Guarantee Act.	These Regulations are promulgated pursuant to Article 36-1 of the Securities and Exchange Act.	Add legal basis.
Chapter I Article III	<p>The funds of the Company shall not be lent to shareholders or any other person except in the following cases:</p> <p>I、 a company or line number that does business with the company.</p> <p>II、 there is a short-term financing of the necessary company, hereinafter referred to as short-term, refers to a year.</p> <p><u>The loan from foreign company of which the voting right is directly or indirectly 100% hold by the company.</u></p>	<p>Under Article 15 of the Company Act, the Company shall not loan funds to any of its shareholders or any other person and shall not loan to others more than 40% of the capital of the company except under the following circumstances:</p> <p>I、 Company dealing business with the Company and the amount shall not exceed the accumulated transaction amount.</p> <p>II、 A company needs for short-term financing shall not exceed 10% of the company's net worth. "Short-term" means the period within one -year. In the event that the period of business cycle is longer than one year, that period shall prevail.</p> <p>If the company directly and indirectly holds 100% of the voting shares between foreign companies, engaged in funds loans and, individual objects, the capital loan and amount limit must not exceed 40% of the company's net worth, the period is limited to one year, the funds and interest rates must not be lower than the company's short-term borrowing from financial institutions at the highest interest rate ; The capital loan and the total amount limit shall not exceed 50% of the company's net value.</p>	<p>I、 The loan and the limit specification for the total amount and individual objects are transferred to articleVII-I.</p> <p>III、 In linewith the provisions of the law, to increase the flexibility of the use of funds dispatching within the group Enterprises, lending the company directly and indirectly holding voting shares of 100% of foreign companies have to engage in the company's capital loansand.</p>
Chapter I ArticleV	<p>The Company may make endorsements/guarantees for the following companies:</p> <p>I、 Company which has a business relationship with the Company.</p> <p>II、 Company in which the Company directly and indirectly holds more than 50.percent of the voting shares</p> <p>III、 Company with over 50% vote right to our Company.</p> <p>IV、 Company 90% owned by the Company.</p>	<p>The Company may make endorsements/guarantees for the following companies:</p> <p>I、 company which has a business relationship with the Company.</p> <p>II、 company in which the Company directly and indirectly holds more than 50.percent of the voting shares</p> <p>III、 Company with over 50% vote right to our Company.</p> <p>IV、 Company 90% owned by the Company.</p>	Wording revision.

Article	After amendment	Before amendment	Note
Chapter I <u>Article VI</u>	<p><u>Article VI</u> 、 "Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. "Net worth" provided herein means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>The term "Announcement and Report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission of Taiwan. The term "date of occurrence of the fact" as used in the Procedures refers to the date of contract signing, date of payment, dates of Board of Directors' resolutions, or other date that can confirm the counterpart and monetary amount of the loan and guarantee transaction, whichever date is earlier.</p>	<p><u>Article X</u> 、 "Subsidiary" and "parent company" as referred to in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers. "Net worth" provided herein means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p><u>Article XXIII</u> 、 The term "Announcement and Report" as used in the Procedures means the process of entering data to the information reporting website designated by the Financial Supervisory Commission of Taiwan. The term "date of occurrence of the fact" as used in the Procedures refers to the date of contract signing, date of payment, dates of Board of Directors' resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.</p>	<p>I 、 Clause change</p> <p>II 、 Consider that the financial loan and or endorsement guarantee is not yet the nature of the transaction and take the fourth text as a discretionary.</p>
Chapter II Section I <u>Article VII</u>	<p><u>Article VII</u> 、 <u>the company's funds and others shall be handled in accordance with the following operating procedures:</u></p> <p><u>I 、 the object of loans and funds: should be in accordance with the provisions of this procedure Article III.</u></p> <p><u>II 、 criteria for the evaluation of financial loans and others:</u></p> <p><u>(I) Engaged in the loan of funds due to business relations.</u></p> <p><u>(II) To engage in financial loans due to the need for short-term financing Shall be limited to the following circumstances:</u></p> <p><u>1 、 The company has a stake of more than 50% of the company because of business needs and have the necessary short-term financing.</u></p> <p><u>2 、 his company or line number due to the purchase of materials or operational turnover needs and have the necessary short-term financing.</u></p> <p><u>3 、 ther by the company's board of directors agreed to fund loans.</u></p> <p><u>III 、 limits on the loan and total amount of funds and individual objects:</u> <u>The total amount of funds credited to the company is limited to 40% of the company's most recent net financial</u></p>	<p><u>Article III</u> 、 Under Article 15 of the Company Act, the Company shall not loan funds to any of its shareholders or any other person and shall not loan to others more than 40% of the capital of the</p>	<p>I 、 Clause change</p> <p>II 、 To revise the relevant procedures for the loan of company funds to others, as stipulated in article ninth of the "Guidelines for the handling of funds and endorsement guarantees for public offering companies".</p>

Article	After amendment	Before amendment	Note
	<p><u>statements.</u></p> <p><u>(I) company or line number that does business with the company:</u></p> <p><u>1. the loan and total amount shall be limited to 20% of the company's most recent net financial statements.</u></p> <p><u>2. individual loans and amounts shall be limited to the amount of business transactions between the two parties in the most recent year. The amount of business transaction referred to is the higher the amount of goods purchased or sold between the two parties.</u></p> <p><u>(II) company or line number necessary for short-term financing.:</u></p> <p><u>1. The loan and total amount shall be limited to 20% of the company's most recent net financial statements.</u></p> <p><u>2. individual loans and amounts are limited to 10% of the company's most recent net financial statements.</u></p> <p><u>(III) This Public Division directly and indirectly holding voting shares 100% of foreign countries Inter-firm engaged in funds Loan and. Or This The company directly and indirectly holds voting rights Shares of 100% Foreign companies to This Companies engaged in capital loans and, Loan and total amount to no more than the company Most recent financial statements Net value 40% Limited to the amount of individual loans and amounts not exceeding the company Most recent financial statements Net value 20% Limited to.</u></p> <p><u>IV、Financial Loan and duration and interest-bearing methods:</u></p> <p><u>Each fund shall be credited with a term of not more than one year, in case of special circumstances, with the consent of the Board of Directors, in accordance with the actual situation needs to extend the loan and period.</u></p> <p><u>The loan and interest rate shall not be lower than the maximum interest rate of the company's short-term</u></p>	<p>company except under the following circumstances:</p> <p>I、 Company dealing business with the Company and the amount shall not exceed the accumulated transaction amount.</p> <p>II、 company needs for short-term financing shall not exceed 10% of the company's net worth.</p> <p>“Short-term” means the period within one -year. In the event that the period of business cycle is longer than one year, that period shall prevail.</p> <p>If the company directly and indirectly holds 100% of the voting shares between foreign companies, engaged in funds loans and, individual objects, the capital loan and amount limit must not exceed 40% of the company's net worth, the period is limited to one year, the funds and interest rates must not be lower than the company's short-term borrowing from financial institutions at the highest interest rate ; The capital loan and the total amount limit shall not exceed 50% of the company's net value.</p> <p><u>Article VIII、 Term for loans of funds and the method of calculating interest rate:</u></p> <p>The term for loans granted may not exceed one year, and the date of settlement shall be specified upon the granting of loans. The interest rate may not be less than the maximum interest rate charged when the Company lends short-term funds from a financial institution. The interest rate shall be calculated on a monthly basis.</p>	

Article	After amendment	Before amendment	Note
	<p><u>borrowing from financial institutions. The collection of interest on the loan shall be settled on a monthly or due basis, in case of special circumstances, with the consent of the Board of Directors, in accordance with the actual situation.</u></p> <p><u>V、Financial loan and review and handling procedures:</u></p> <p><u>(I) Funds Loan and review procedures:</u>  <u>When the company handles funds and other persons, the borrower shall first attach the necessary company and financial data to apply in writing to the company for the amount of financing, and the accounting unit shall carefully assess whether it complies with the " The guidelines for the handling of funds and endorsement guarantees for the public offering company and the provisions of this procedure and the review and assessment of the following matters:</u></p> <ol style="list-style-type: none"> <li><u>1. The necessity and rationality of capital loan and others.</u></li> <li><u>2. Credit and object of credit and risk assessment.</u></li> <li><u>3. the company's operating risks, financial conditions and shareholders ' equity impact.</u></li> <li><u>4. Whether the valuation value of the collateral and the collateral should be obtained.</u></li> </ol> <p><u>(II) Funds loan and processing procedures:</u></p> <ol style="list-style-type: none"> <li><u>1, after evaluation, by the accounting unit to send a written report, submitted to the general manager and the chairman for approval, and reported to the Board of directors after the adoption of the resolution, may not authorize others to decide.</u></li> </ol>	<p><u>Article VII、Procedure</u></p> <p><u>I、Credit Investigation:</u>  <u>The borrower shall provide required company information and financial information together with the written application for the loan to be submitted to the Company. Upon receipt of the application, the financial department of the Company shall investigate, evaluate and draft report on the business, financial condition, repayment capability, creditworthiness and profitability of the borrower as well as the purpose of the loan.</u></p> <p><u>III、Scope:</u>  <u>After the financial department has conducted a credit investigation, the term of each loan and relevant matters shall be submitted to the general manager for approval and further to the Board for its approval.</u>  <u>The comments of each of the Independent Directors of the Audit Committee shall be fully considered by the Board of Directors during deliberations pursuant to the preceding subparagraph, and the concurring or objecting position of the Independent Directors and any objection reasons shall be clearly recorded in the Board meeting minutes.</u></p>	

Article	After amendment	Before amendment	Note
	<p>2. <u>In addition to the company directly and indirectly holding voting shares of more than 50% of the sub-company, The company shall obtain the same amount of guaranteed promissory notes, if necessary, and handle the mortgage creation of movable or immovable property. If the security of a creditor 's right is to be accepted by the company as a guarantee in lieu of the provision of collateral , the board of directors may take care of the Letter report, and the Company shall be aware of whether its statutes are A clause that is set as a guarantee.</u></p> <p>3. <u>the funds and loans between the company and its subsidiaries, or between its subsidiaries, shall be subject to a resolution of the Board of directors in accordance with the provisions and may authorize the Chairman to make a sub-loan or recycling of the same loan and object in a certain amount of the resolution of the Board of directors and for a period not exceeding one year. However, the authorized amount shall not exceed 10% of the net value of the funds and the company's most recent financial statements.</u></p> <p>4. <u>when the company has set up independent directors, It shall give full consideration to the opinions of the independent directors when lending funds to others . If the independent director has any objection or reservation, he shall set out in the proceedings of the Board.</u></p> <p><u>VI Subsequent management measures for loans and amounts and procedures for the processing of overdue claims:</u>  <u>(I) If the board of Directors adopts the loan and funds to others, the relevant departments of the Company shall, at the time of appropriations and loans and</u></p>	<p><u>II Sub securities:</u>  <u>Any borrower shall provide a promissory note, collateral and/or other guarantee as requested by the Company in an amount equivalent to that of the loan when making an application in accordance with Article 5. If any collateral is provided, legal procedures for mortgage and/or lien must be fulfilled to protect the Company's interest.</u></p> <p><u>Article IX Subsequent Monitoring and Procedures for Dealing with Delinquencie for Approved Loans:</u></p>	

Article	After amendment	Before amendment	Note
	<p><u>matters, log in to the memorandum book and collect the interest on the loan on a regular basis in accordance with the contracts of both parties.</u></p> <p><u>(II) Regular inventory of collateral to ensure the validity of claims and collateral.</u></p> <p><u>(III) The borrowing Company shall provide financial statements to the relevant departments of the company on a regular basis to supervise its operating conditions and business results.</u></p> <p><u>(IV) The borrower shall first calculate the interest payable when the loan is due or due before it expires, and after the principal has been liquidated, it may return the promissory note, the loan, etc., to the borrower or apply the mortgage right..</u></p> <p><u>(V) Procedures for the processing of overdue claims: If an extension is required due to failure to repay, the request must be made in advance. After approval by the general Manager and Chairman, and report to the Board of directors after the adoption of the resolution; Each extension may not exceed six months and shall be limited to one time. Violators, the company may in respect of the collateral or guarantor provided by it, in accordance with the law to dispose of and recover.</u></p> <p><u>(VI) The Company shall assess the loan and circumstances of the funds and make adequate provision for bad debts, and properly disclose the relevant information in the financial report, and provide relevant data to the visa accountant to carry out the necessary verification procedures.</u></p>	<p><u>Once drawdown on a loan has been made, the financial, business and relevant credit conditions of the borrower and the guarantor shall be regularly monitored. Where collateral is provided, changes in its values shall be noted, and any material change thereto shall be immediately reported to the Chairman and be dealt with according to the relevant instruction. When the borrower is making a repayment upon or prior to maturity, the interest shall first be calculated and repaid together with the principal, before the cancellation and return of the relevant evidence of claim to the borrow or the cancellation of the mortgage registration.</u></p> <p><u>The borrower shall pay off the principal and interest when the loan expires. If an extension is required due to failure to repay at maturity, a request shall be made in advance, with the approval of the Board of Directors, for each extension not exceeding six months and at one limit.</u></p> <p><u>Article XIX</u> · The company shall assess the loan and circumstances of the funds and make adequate provision for the bad debts, and properly disclose the relevant information in the financial report, and provide the relevant data to the visa accountant to carry out the necessary verification procedures.</p>	
<p>Chapter II Section I <u>Article VIII</u></p>	<p><u>Article VIII</u> · the subsidiary funds loan and others control procedures: I · the company 's son company intends to lend funds to others, should also be in accordance with this procedure to set the company's funds to deal</p>	<p><u>Article X</u> · Where a subsidiary of the Company proposes to grant a loan to a third party, the Company shall require the subsidiary to apply mutatis mutandis the Procedures.</p>	<p>I · Clause change II · The operating procedures for the guarantee</p>



Article	After amendment	Before amendment	Note
	<p><u>with other people's procedures. And according to the implementation of the processing.</u></p> <p><u>II 、 the subsidiary should be on the 5th of each month (excluding) before the preparation of the previous month. "funds and other people's Reference book".</u></p>		<p>of corporate endorsement are revised in the "Article of the provisions of the" public offering funds loan and endorsement guarantee processing guidelines 9.</p>
<p>Chapter II Section II <u>ArticleIX</u></p>	<p><u>Article IX 、 the company endorsement guarantee Operating procedures:</u></p> <p><u>I 、 the object of endorsement guarantee: shall be handled in accordance with the provisions of article fifth of this procedure.</u></p> <p><u>II 、 because of business relations to engage in endorsement guarantee evaluation criteria:</u> <u>The company shall, in accordance with the provisions of this procedure, handle the endorsement guarantee for business needs , and the amount of the endorsement guarantee may not exceed the amount of business transaction between the two parties.</u></p> <p><u>III 、 the degree of endorsement guarantee:</u></p> <p><u>(I) The amount of the company's endorsement guarantee:</u></p> <p><u>1. The total amount of endorsement guarantee is not more than 50 of the company 's net financial statements in the most recent period.</u></p> <p><u>2. The amount of the endorsement guarantee for a single enterprise shall be limited to 20% of the net value of the company's most recent financial statements , provided that the company does not exceed 40% of the net value of the company's most recent financial statements.</u></p> <p><u>(II) The amount of endorsement guaranteed by the company and its subsidiaries as a whole</u></p> <p><u>1. The total amount of endorsement guarantee is not more than 50% of the company's most recent financial statements .</u></p> <p><u>2. The amount guaranteed for a single business endorsement</u></p>	<p><u>ArticleVI 、 The ceilings on amount of endorsement/guarantee:</u></p> <p><u>I 、 The aggregate amount of endorsements/guarantees provided by the Company shall not exceed 40% or more of the net worth of the Company</u></p>	<p>I 、 Clause change II 、 The operating procedures for the guarantee of corporate endorsement are revised in the "Article of the provisions of the" public offering funds loan and endorsement guarantee processing guidelines 12.</p>

Article	After amendment	Before amendment	Note
	<p><u>shall not exceed 20% of the net value of the company's most recent financial statements. In the case of an endorsement guarantee arising out of a business relationship, the amount of business transaction between the two parties in the most recent year is Limited. The amount of business transaction referred to is the higher the amount of goods purchased or sold between the two parties.</u></p> <p><u>(III)This Our companyDirect and indirect holding of voting shares per cent90 or moreAmong the companies,Endorsement GuaranteeTotalUHANd to the single enterprise endorsement guarantee limit toNo more thanThisOur companyMost recent financial statementsNet worth 10%. However , the companydirectly and indirectly holds 100% of the voting shares of the Inter-company endorsement guarantee, not this limit.</u></p> <p><u>IV. endorsement guarantee review and handling procedures</u></p> <p><u>(I) Endorsement Guarantee Review procedure:</u>  <u>When the company handles the endorsement guarantee, the Company shall first attach the necessary company and financial data to the company in writing, and the accounting unit shall carefully assess whether it complies with the "Guidelines for the handling of funds and endorsement guarantees of the public offering company" and the provisions of this procedure and examine and evaluate the following matters:</u></p> <ol style="list-style-type: none"> <li><u>1, the necessity and rationality of endorsement guarantee.</u></li> <li><u>2, endorsement guarantee object credit and risk assessment.</u></li> <li><u>3, the company's operating risks, financial conditions and shareholders ' equity impact.</u></li> <li><u>4. Whether the valuation value of the collateral and the collateral should be obtained.</u></li> </ol>	<p><u>II ∙ Companies in which the Company holds, directly or indirectly, 90%, or more of the voting shares may make endorsements/guarantees for each other, and the amount of endorsements or guarantees may not exceed 10% of the net worth of the Company.</u></p> <p><u>Article XIII ∙ Management procedure :</u></p> <p><u>I ∙ When the company is guaranteed to endorse the endorsement, it shall prepare an official letter stating the purpose and the total amount of the endorsement, and attach the instrument to the company for endorsement.</u></p> <p><u>II ∙ The preceding correspondence and notes shall first be audited by the management department, and the main points of their examination are as follows:</u></p> <ol style="list-style-type: none"> <li><u>(I) The necessity and reasonableness of the guaranty</u></li> <li><u>(II) The necessity of the guaranty amount, as compared to the financial strength of the guaranteed company.</u></li> <li><u>(III)If the aggregate guaranty amounts exceed the limits.</u></li> <li><u>(IV)Is there any other possibility that would endanger the rights and interests of the company.</u></li> </ol> <p><u>III ∙ The management department shall, together with the letter and the bill, endorse the audit opinion with the Chairman.</u></p>	

Article	After amendment	Before amendment	Note
	<p>(II)Endorsement Guarantee Processing procedure:</p> <p>1. <u>after evaluation, by the accounting unit to send a written report, submitted to the general manager and the Chairman for approval.</u></p> <p>2. <u>If the endorsement is guaranteed to be written off by the end of the endorsement guarantee,the liquidation of the debt or the renewal of the extension, theAccounting unit shall complete a written report and take the initiative to notify the endorsed guarantor, To recover the guarantee of its retained bank or creditor institution and to cancel the endorsement to guarantee the deed in question.</u></p>	<p><u>IV ∙ The instrument approved by the Chairman of the endorsement must complete the following formalities and return to the guaranteed company:</u></p> <p><u>(I)Impress company seal.</u></p> <p><u>(II)Keep the copy of the endorsed notes.</u></p> <p><u>(III)Record the Reference Book.</u></p> <p><u>V ∙ When the board or Chairman does not agree to an endorsement, the Department of Management shall explain the reasons for not endorsing it and return it to the guaranteed company together with the bill.</u></p> <p><u>Article XII ∙ Working procedure :</u></p> <p><u>I ∙ When the company endorses the guarantee or cancelled, it shall be submitted by the Department of Management, stating the name of the enterprise, the undertaking guarantee, the amount of endorsement guarantee, the condition and date of obtaining the contents of the collateral and the liability for the cancellation of the endorsement guarantee, and so on, after the petition of the Chairman or the approval of the Board of Directors. The company has set up an independent director, who endorses the endorsement of others, shall take full account of the opinions of the independent directors and include in the records of the board the express opinions and objections to their consent or objections.</u></p> <p><u>ArticleXIV ∙ Cancellation of endorsed notes:</u></p> <p><u>I ∙ If an endorsement instrument is to be written off as a result of the liquidation or renewal of the debt, the company shall be prepared to send the original endorsement note to the management department of the company and return it after the seal "cancellation" is affixed, and the communication will remain for reference.</u></p> <p><u>II ∙ The Department of Management will at any time record the cancellation of promissory notes in the "endorsement guarantee book" to reduce the cumulative endorsement amount.</u></p> <p><u>III ∙ When the bill is renewed, financial institutions often require endorsement of the new instrument</u></p>	

Article	After amendment	Before amendment	Note
	<p>3. <u>The Company shall obtain an endorsement to ensure that, due to business needs, there is a need for more than the amount prescribed in subsection three and meets the conditions set out in this procedure. Shall, with the consent of the Board of directors and by more than half of the directors, be named in respect of losses that may arise from the company's excess limits, and amend this procedure to report to the shareholders ' meeting for recognition; When the shareholders ' meeting does not agree, it shall set a plan to remove the excess part within a certain period of time .</u></p> <p>4. <u>If the object of endorsement is a sub-company with a net value of less than One-second of the amount of capital received, it shall report the resolution of the company's board of directors in advance, and the accounting unit will periodically evaluate the implementation situation and make a written record . If the shares of a subsidiary are non-denomination or a denomination of NT \$10 per share, the calculation of the amount of capital received shall be based on The sum of the capital equity plus the premium of the issue.</u></p> <p>5. <u>The Company shall evaluate or recognize the loss of endorsement guarantees and properly disclose the endorsement guarantee information in the financial report, and provide the visa accountant with the necessary verification procedures.</u></p> <p>6. <u>When the company has set up an independent director, it shall give full consideration to the opinions of the independent directors when endorsing the guarantee, and the independent</u></p>	<p><u>and return the old paper, in which case the Department of Management should have a record of keeping the old bill and write it off as soon as possible.</u></p> <p><u>Article XI ∙ Authority:</u>  <u>III ∙ The company shall, with the consent of the Board of directors and by more than half of its directors, be named for the losses that may result from the excess of the company due to business needs, and those who are necessary to exceed the amount prescribed in section sixth and who meet the conditions set out in rule fifth, and to amend this procedure to be confirmed by the shareholders ' meeting; Plans should be set for a certain period of domestic sales in addition to the exceeding limit part.</u></p> <p><u>Article VI ∙ The ceilings on amount of endorsement/guarantee:</u>  <u>III ∙ The party to whom the Company provides endorsement and/or guarantee shall with net worth over 50% of issued capital.</u>  <u>IV ∙ In the case of a Subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the aforementioned calculation, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</u></p> <p><u>Article XXII ∙ The Accounting Unit shall assess and recognize, if any, contingent losses brought about by the endorsement/guarantee, to adequately disclose information in the financial statements, and to provide external auditors with necessary information for conducting due auditing and issuing auditing report.</u></p>	

Article	After amendment	Before amendment	Note
	<p><u>director shall include in the proceedings of the Board of Directors any objection or reservation.</u></p> <p><u>V ∙ the seal use and custody procedure of the endorsement guarantee:</u>  <u>The company shall apply to the Ministry of Economy for Registration of the company Seal as the exclusive seal of the endorsement guarantee, the seal shall be kept by a special officer with the consent of the Board of directors, and in accordance with the procedures laid down by the seal printing or issuing the bill; In order to ensure the conduct of foreign companies, the guarantee letter issued by the Company shall be signed by</u></p> <p><u>VI ∙ decision-making and authorization level of endorsement guarantee:</u></p> <p><u>(I) The company to handle endorsement guarantee matters shall be dealt with after adoption by a resolution of the Board of Trustees. The Board of Directors shall authorize the Chairman to decide within the limit of a single NT 30 Million, after which it shall be reported to the most recent board of directors for recognition.</u></p> <p><u>(II) before the company directly and indirectly holds the voting shares of more than 90% of the subsidiaries between the original guarantee, should be reported to the company 's board of directors after the resolution began to be processed. However, the company directly and indirectly holds 100% of the voting shares of the Inter-company endorsement guarantee, not within this limit.</u></p>	<p><u>Article XII ∙ Working procedure :</u></p> <p><u>II ∙ The company shall apply to the Ministry of Economy for Registration of the company Seal as the exclusive seal of the endorsement guarantee, and according to the procedures set out to seal or issue the bill; In order to ensure the conduct of foreign companies, the guarantee letter issued by the Company shall be signed by the person authorized by the Board of Directors.</u></p> <p><u>Article XI ∙ Authority:</u></p> <p><u>I ∙ In respect of the subsidiary endorsement guarantee, the Chairman shall be authorized to deal with the full amount within the limits stipulated in article sixth, and shall be reported to the board of directors after the confirmation.</u></p> <p><u>II ∙ A guarantee of endorsement of a company other than a subsidiary shall be adopted by a resolution of the board of Directors .</u></p>	
<p>Chapter II Section II <u>Article X</u></p>	<p><u>Article X ∙ to the subsidiary to handle the endorsement guarantee of the control procedures:</u></p> <p><u>I ∙ if the child company of the company intends to endorse the guarantor for others. It shall also make an endorsement guarantee for the company in accordance with this procedure. Procedures according to the implementation of the processing.</u></p> <p><u>II ∙ the subsidiary should be on the 5th of each month (excluding) before the preparation of the previous month</u></p>	<p><u>Article XVI ∙ If the son of the company intends to endorse or provide a guarantor for others, the Company shall urge the subsidiary to establish an endorsement guarantee processing procedure in accordance with the provisions of this procedure.</u></p>	<p>I ∙ Clause adjustment. II ∙ Taking into consideration the " Public offering company funds loan and endorsement guarantee processing guidelines" Article 12 to the subsidiary's</p>

Article	After amendment	Before amendment	Note
	<u>"endorsement guarantee book".</u>		endorsement guarantee Control procedures.
Chapter III Section I <u>Article XI</u>	<p><u>Article XI</u> ∨ the company to handle funds and matters, should establish a reference book, on the loan and the object, the amount, the date of adoption of the Board of Directors, the date of the loan and the matter should be carefully assessed, detailed to be published For reference in the memorandum book.</p> <p><u>Internal auditors shall, at least quarterly, audit funds and other operating procedures of other persons and their implementation, and make written records, and shall notify the monitors in writing if significant irregularities are found.</u></p>	<p><u>Article VII</u> ∨ Procedures for Granting of Loan</p> <p><u>IV</u> ∨ A written record shall be established specifying the borrower, loan amount, date of Board approval, drawdown date, and any other matters required to be reviewed and evaluated by the Procedures.</p> <p><u>V</u> ∨ The internal audit staff shall audit and evaluate the implementation of the Procedures at least on a quarterly basis and prepare written record of such audit. In the event that a material violation is discovered, the Independent Directors of the Audit Committee shall be notified in writing immediately and sanctions shall be taken against the responsible manager and supervisor.</p>	I ∨ Clause change II ∨ Wording revision.
Chapter III Section I <u>Article XII</u>	Article XII ∨ the company due to changes in the circumstances, to the loan and the object does not conform to the provisions of this procedure or the balance is over time, should set up a improvement plan, the relevant improvement plan to the monitoring people, and the improvement is completed according to the planned time schedule.	<p><u>Article VII</u> ∨ Procedures for Granting of Loan</p> <p><u>VI</u> ∨ If due to a change of circumstances of the Company, the borrower becomes non-conforming with the Procedures or if the outstanding balance of the loan exceeds the limit required thereof, an improvement plan shall be adopted and submitted to the Audit Committee of the Company. The improvement plan shall be executed in accordance with the timeline specified therein.</p>	I ∨ Clause change II ∨ Wording revision.
Chapter III Section I <u>Article XIII</u>	<u>Article XIII</u> ∨ the manager of the company and the organizer to undertake funds loans and operations, if there is a violation of the provisions of this procedure, in accordance with the Company's personnel management methods and work rules of regular reporting assessment, according to its circumstances and severity of punishment.	—	Take into the "public offering company funds loan and endorsement guarantee processing guidelines" Article 9 managers and organizers in violation of the company's funds and other work procedures when the penalty.

Article	After amendment	Before amendment	Note
Chapter III Section I <u>Article XIV</u>	<u>Article XIV</u> ∙ the head of the company violated the "Public offering company funds loan and endorsement guarantee processing guidelines" Article 3 when the first proviso is stipulated. Shall be jointly and severally liable for the return of the borrower, who shall also be liable for damages if the company is injured.	—	In the light of the provisions of the second item of the company law Article 15, the company leader shall be jointly and severally liable for return and liability for the repayment of funds in excess of the prescribed limits.
Chapter III Section II <u>Article XV</u>	<u>Article XV</u> ∙ the company to handle the endorsement guarantee matters, shall establish a reference book, on the endorsement guarantee Object, the amount, the board pass or the Chairman's decision date, the endorsement guarantee date and matters that should be carefully assessed, details of the publication for reference.  <u>The internal auditor of the Company shall, at least quarterly, audit endorsement to ensure the operating procedures and their implementation, and make a written record, and shall notify the monitors in writing if significant irregularities are found.</u>	<u>Article XII</u> ∙ Working Procedure III ∙ The finance & accounting department of the Company shall prepare a memorandum book for its guaranty activities and truthfully record the following information: guaranteed counterparty, amount, date of approval by the board of directors, guaranty date, and matters to be carefully evaluated under the preceding paragraph. <u>Article XV</u> ∙ The Finance Unit shall establish and maintain a memorandum book for its endorsement/guarantee activities and record in detail the following information for the record: the entity for which the endorsement/guarantee is made, the amount, the date of passage by the Board of Directors or of authorization by the Chairperson of the board, the date the endorsement/guarantee is made, and the matters to be carefully evaluated under Article XIII and XV.  <u>Article XII</u> ∙ Working Procedure IV ∙ The internal auditor of the Company shall, at least quarterly, audit endorsement to ensure the operating procedures and their implementation, and make a written record, and shall notify the monitors in writing if significant irregularities are found.	I ∙ Clause change II ∙ Wording revision.
Chapter III Section II <u>Article XVI</u>	<u>Article XVI</u> ∙ the company due to changes in the circumstances, to the endorsement of the object does not conform to the provisions of this procedure or the amount of time, should be set up a improvement plan, the relevant improvement plan to the monitoring people And complete the	<u>Article XII</u> ∙ Working Procedure V ∙ If, as a result of a change in circumstances, a guaranteed counterparty no longer meets the requirements of these Rules or the guaranty amounts exceed the limit, the Company shall design a	I ∙ Clause change. II ∙ Wording revision.

Article	After amendment	Before amendment	Note
	<u>improvement according to the planned time schedule.</u>	rectification plan and submit the plan to the board of directors, and shall complete the plan according to the timeframe set out in the plan. <u>Article XI</u> ∙ <u>Authority:</u> <u>IV</u> ∙ <u>If, due to changes of circumstances, the party to whom the Company provides endorsement and/or guarantee no longer satisfies the criteria set forth in Article 5 herein, or the Subsidiary's net worth set in article 6 of issued capital, or the amount of endorsement and/or guarantee exceeded the limits due to changes of basis on which the amounts of limits are calculated, a corrective plan shall be provided to the Audit Committee and the Board of Directors and the proposed correction actions should be implemented within the period specified in the plan.</u>	
Chapter III Section II <u>Article XVII</u>	<u>Article XVII</u> ∙ <u>the manager of the company and the organizer to undertake the endorsement of the guarantee operation, if there is a violation of the provisions of this procedure, in accordance with the Company's personnel management methods and work rules on a regular basis to report the assessment, according to its circumstances and severity of punishment.</u>	—	In the "Public offering company funds loan and endorsement guarantee processing guidelines" Article 12, to update managers and organizers in violation of corporate endorsement to ensure operating procedures penalties.
Chapter IV Section I <u>Article XVIII</u>	<u>Article XVIII</u> ∙ <u>The Company shall, by 10th of each month, declare the funds and balances of the company and its subsidiaries for the previous month in accordance with the relevant provisions of the competent authorities.</u>	<u>Article XVII</u> ∙ <u>The Company shall, prior to the tenth day of each month, announce and declare the total loan amount and the balance of the granted loans the preceding month by the Company and its subsidiaries</u>	I ∙ Clause change II ∙ Wording revision.
Chapter IV Section I <u>Article XIX</u>	<u>Article XIX</u> ∙ <u>the Company's funds and balances in one of the following criteria, shall be announced within 2nd of the date of fact of the declaration:</u> <u>I</u> ∙ <u>the company and the subsidiary funds and the balance of others up to the company's most recent financial statements net value of more than 20% people.</u> <u>II</u> ∙ <u>the company and its subsidiaries to</u>	<u>Article XVIII</u> ∙ <u>If the loan and balance of the company meet one of the following criteria, the declaration shall be announced within 2nd from the date of the fact:</u> <u>I</u> ∙ <u>The balance between the funds of the company and its subsidiaries and those of others is more than 20% of the net value of the company's most recent financial statements.</u>	I ∙ Clause change II ∙ Wording revision.



Article	After amendment	Before amendment	Note
	<p><u>the single enterprise capital loan and balance up to the company's most recent financial statements net value of more than 10% .</u></p> <p><u>III 、 the company or subsidiary of the new funds loans and amounts up to NT \$10 million and up to the Company's most recent financial statements net value of 2%.</u></p> <p><u>The company's son company is not a domestic public offering company, the subsidiary has the preceding paragraph III should be announced to declare the matter, should be the company on behalf of the subsidiary.</u></p>	<p>II 、 The balance of loan provided by the Company and its subsidiaries for a single enterprise reaches 10% or more of the Company's net worth as stated in its latest financial statement.</p> <p>III 、 The company or its subsidiaries have added funds and amounts amounting to NT \$10 million and have reached more than 2% of the Company's most recent financial statements.</p> <p>The company 's subsidiary is not a domestic public offering company, the subsidiary has the preceding paragraph should be announced to declare the matter, should be by the company.</p>	
Chapter IV Section II Articel XX	The Company shall, by 10th of each month, declare the balance of the endorsement guarantee of the company and its subsidiaries in the previous month in accordance with the relevant provisions of the competent authorities.	The Company shall, by 10th of each month, announce and declare the balance of the endorsement guarantee of the company and its subsidiaries in the previous month.	Wording revision.
Chapter IV Section II Articel XXI	<p>Where the total loan amount and balance of the granted loans of the Company reach one of the following thresholds, the Company shall make the relevant declaration within two days commencing immediately from the day of such occurrence:</p> <p>I 、 The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.</p> <p>II 、 The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.</p> <p>III 、 The balance of endorsements / guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements / guarantees for, long-term investment assessed by equity method in, and balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial statement.</p> <p>IV 、 The amount of new endorsements or guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as</p>	<p>Where the total loan amount and balance of the granted loans of the Company reach one of the following thresholds, the Company shall make the relevant declaration within two days commencing immediately from the day of such occurrence:</p> <p>I 、 The aggregate balance of endorsements/guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.</p> <p>II 、 The balance of endorsements/guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.</p> <p>III 、 The balance of endorsements / guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements / guarantees for, long-term investment in, and balance of loans to, such enterprise reaches 30% or more of Company's net worth as stated in its latest financial statement.</p> <p>IV 、 The amount of new endorsements or guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as</p>	<p>I 、 Wording revision.</p> <p>II 、 In order to clarify the definition of investment of a long-term nature, invoking the revised text in the guidelines for the preparation of financial reports for issuers of securities.</p>

Article	After amendment	Before amendment	Note
	<p>stated in its latest financial statement. As the company 's subsidiary is not a domestic public offering company, the subsidiary has the preceding paragraph fourth should be announced to declare the matter, should be by the company.</p>	<p>stated in its latest financial statement. As the company 's subsidiary is not a domestic public offering company, the subsidiary has the preceding paragraph fourth should be announced to declare the matter, should be by the company.</p>	
<p>Chapter V <u>Article XXII</u></p>	<p><u>ArticleXXII</u> ∙ <u>Other matters:</u>  I ∙ <u>after the adoption of this procedure by the Board of Directors, send the monitors and report to the shareholders ' meeting to agree that if a Director objects and has a record or written statement, the Company shall challenge it andsend it to the monitors and to the shareholders ' meeting for discussion and amendment.</u>  II ∙ <u>the company has set up independent directors, in accordance with the provisions of the preceding paragraph to refer this procedure to the Board for discussion, should take full account of the views of the independent directors, independent directors if they have objections or reservations, should be set out in the proceedings of the Board of Directors .</u>  III ∙ <u>the company has set up audit Committee, the establishment or amendment of this processing procedures, should be approved by all members of the audit committee more than one-second, and refer to the Board of Directors resolution, do not apply the provisions of the second paragraph.</u>  IV ∙ <u>If the preceding paragraph does not agree with more than one-second per cent of all members of the Board of Auditors, it shall be agreed by more than two-thirds per cent of all directors, and the resolutions of the Board of Auditors should be included in the proceedings of the Board.</u>  V ∙ <u>All members of the Board of Auditors referred to in section III and all directors referred to in the precedingparagraph are calculated in the actual incumbent.</u></p>	<p><u>Article XXIV</u> ∙ <u>After the adoption of this procedure by the Board of directors, the inspectors will send the monitors and report to the shareholders ' meeting that if there is an objection from the directors and a record or written statement, the company shall challenge them and send them to the monitors and to the shareholders ' meeting for discussion and amendment.</u>  The company has set up independent directors, in accordance with the provisions of the preceding paragraph to refer this procedure to the Board for discussion, should take full account of the views of the independent directors, and their consent or objections to the express views and objections to the board records. The enforcement of the procedure commencing on the publishing date.</p>	<p>I ∙ Clause change.  II ∙ Refer to the three provisions of Article of securities trading law. Wording revision.  III ∙ In accordance with the Article of the Securities Trading Act , the terms of reference of the Audit committee include fixing or amending the procedures for dealing with the significant financial business practices of funds and other persons, invoking take into Article 6 of the guidelines for the processing of assets by public issuing companies.</p>
<p>ChapterV Article XXIII</p>	<p><u>Article XXIII</u> ∙ <u>The company has established independent directors. In accordance with the provisions of Article XI, paragraph II or Article XV, paragraphII, notify the supervisors of the matter, The Notification to independent</u></p>	<p>—</p>	<p>I ∙ New clause  II ∙ In order to strengthen corporate governance, a person who has</p>

Article	After amendment	Before amendment	Note
	<p><u>directors in writing shall be sent to independent directors together.</u>  <u>The company has set up audit committee.</u>  <u>Articles XI, XII, XV and XVI of the regulations for supervisors.</u>  <u>The requirements for the Ombudsman shall be used by the Board of Auditors.</u></p>		<p>established an independent director and an auditor shall notify the Independent Director and the Audit Committee in writing of the substantial irregularities in the loan and endorsement of funds, and the improvement plan established for the breach of the provisions of the loan and or endorsement guarantees, and shall also be sent to the independent Director and the audit Committee.</p>
<p>Chapter 5 Article 24</p>	<p>Article XXIV 、  The procedure was made on Jul.2, 2001.  1st amendament was made on Jun.3, 2003.  2nd amendament was made on Jun.9, 2006.  4th amendament was made on Jun.29, 2009.  5th amendament was made on Jun.25, 2010.  6th amendament was made on Jun.13, 2013.  <u>7th amendament was made on Jun.20, 2019.</u></p>	<p>ArticleXXV 、  The procedure was made on Jul.2, 2001.  1st amendament was made on Jun.3, 2003.  2nd amendament was made on Jun.9, 2006.  4th amendament was made on Jun.29, 2009.  5th amendament was made on Jun.25, 2010.  6th amendament was made on Jun.13, 2013.</p>	<p>I 、 Clause change.  II 、 Add amending date.</p>