



2019

Annual Shareholders' Meeting
Meeting Agenda
(Translation)

SCAN-D CORPORATION

Time: Jun.20, 2019 Am 09:00

Place: No. 69, Dinghu 1st St., Guishan Dist., Taoyuan City

Table Of Contents

I、	Meeting Procedure	1
II、	Meeting Agenda	2
III、	Report Items	3
IV、	Acknowledgments	5
V、	Discussions	6
VI、	Other Business and Special Motion	6
VII、	Attachment	
	1、2018 Business Report	7
	2、Report on the situation of the second domestic secured conversion company's debt handling	9
	3、2018 Accountant Report and Financial Statement	10
	4、2018 Earnings Distribution Proposal	20
	5、Assets Acquisition and Disposition Rules Amendment	21
	6、Rules of Granting Loans and Enforcement Amendment	45
VIII、	Appendix	
	1、Articles of Incorporation	62
	2、Assets Acquisition and Disposition Rules (Before Amendment)	67
	3、Rules of Granting Loans and Enforcement (Before Amendment)	77
	4、Rules and Procedures of Shareholders' Meeting	85
	5、Directors and Supervisor Shareholding Status	92
	6、The influence of this unpaid rights issue on the company's business performance, earnings per share and shareholder's return on investment	93

I 、 Meeting Procedure

SCAN-D CORPORATION 2019 Shareholders' Meeting Agenda

- I 、 Call Meeting to Order
- II 、 Chairman's Address
- III 、 Report Items
- IV 、 Acknowledgments
- V 、 Discussions
- VI 、 Other Business and Special Motion
- VII 、 Meeting Adjourned

II、Meeting Agenda

SCAN-D CORPORATION 2019 Shareholders' Meeting Agenda

Time : Am 09:00 Jun.20,2019

Place : No.69, Dinghu 1st St., Gueishan Dist., Taoyuan City.

I、Call Meeting to Order

II、Chairman's Address

III、Report Items

(1) 2018 Business Report

(2) 2018 Supervisors' Review Report

(3) 2018 Employees' Profit Sharing Bonus and Directors' Compensation Report

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

IV、Acknowledgments

(1) 2018 Business Report and Final Accounts

(2) 2018 Earning Distribution

V、Discussions

(1) Assets Acquisition and Disposition Rules Amendment

(2) Rules on Granting Loans and Endorsement Ammendment

VI、Other Business and Special Motion

VII、Meeting Adjourned

III 、 Report Items

Issue No I: proposed by the board

Subject : Present 2018 Business Report

Explanation : Please refer to p.7-8 for the 2018 Business Report

Issue NoII: proposed by the board

Subject : Present 2018 Supervisors' Review Report

Explanation : Please refer to following Report.

SCAN-D CORPORATION
2018 Supervisor Report

The Board of Directors has made the company 's balance sheet for 2018 ,and the consolidated Income Statement, the statement of changes in equityandthe statement of cash flows, which has been Shemingaccountant and Guo Nahua, joint Accountant 's office , Qin zhongxinThe surveyor will check the matter. The abovesignatures , together with the Business Report and the surplus allocation form , have been reviewed by supervisor and are considered in accordance with the provisions of article 219 of the company law.

Regards

2019 Shareholders' Meeting

SCAN-D CORPORATION

Supervisor : WANG,I-YAO

Supervisor : LEE,SHIN-MO

Supervisor : LIU,CHIH-HUNG

Mar.21, 2019

Issue No III: Proposed by the Board

Subject : 2018 Employees' Profit Sharing Bonus and Directors' Compensation Report

Explanation : 1 、 According to article 19 of the Articles of association, "if the company is profitable, it shall make no less than 4% as the remuneration of employees, issued by the Board of Directors in stock or cash distribution; the object of distribution contains Employees of subordinate companies who meet certain conditions; the company is able to make a profit amount, which is determined by the Board of Directors. The proposed allocation is not higher than 2% for the remuneration of the Director and supervisor "

2 、 The profit of the company in 2018 is TWD 224,410,134 dollars (after the allocation of compensation and accumulated loss); distribute as compensation in cash, 9,425,226 dollars, and bonus of director and supervisor, 3,141,742 dollars

3 、 The case has been approved by Compensation Committee and the Board.

4 、 The said amount is in conformity with the amount recognized in 2018.

Issue No IV Proposed by the Board

Subject : Present Report on the situation of the second domestic secured conversion company's debt handling

Explanation : The company issued the second domestic secured conversion company's debt on Nov.17, 2016, approved by FSC, letter no. 1050044891; please refer to page.9 for more information.

IV 、 Acknowledgments

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 P.7-8 for attachment 1 and P.10-19 for Final Accounts.

Resolution :

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 P.20, attachment 4, for more information.

Resolution :

V 、 Discussions

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 、 The amendment is attached in page 21-44.

Resolution :

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 、 The amendment is attached in page 45-61.

Resolution :

VI 、 Other Business and Special Motion

Meeting Adjourned

VII、 Attachment

【Attachment 1】

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

Subject \ Year	2018	2017	Increase	Ratio (%)
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

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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	%
	Current assets				
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>
	Non-current assets				
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>
	Liabilities and equity				
	Current liability				
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>
	Non-current liability				
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>
	Equity (Note 19)				
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>

Code		2018		2017	
		Amount	%	Amount	%
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><u>V、Right of use.</u></p> <p><u>VI、Claims of financial institutions</u> (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p><u>VII、Derivatives.</u></p> <p><u>VIII、Assets acquired or disposed of</u> in connection with mergers, demergers, acquisitions, or transfers of shares in accordance with law.</p> <p><u>IX、Other major assets.</u></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>IV ∙ <u>The Recent Financial Statement refers to the statement verified by CPA before asset acquirement and disposition.</u></p> <p>V ∙ <u>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>VI ∙ <u>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>VII ∙ <u>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>V ∙ <u>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>VI ∙ <u>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 Article III-I</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>I ∙ <u>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 Article VII	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	<p>Article XII The company shall acquire or dispose of 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:</p> <p>I、 Total investment in non-business use real property shall not exceed 20 percent of the Company's total paid-in capital.</p> <p>II、 Total investment in securities shall not exceed 80 percent of the Company's total paid-in Capital.</p> <p>III、 Individual investment in each security shall not exceed 50 percent of the Company's total paid-in capital.</p> <p><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></p>	<p>Article XI The company shall acquire or dispose of 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:</p> <p>I、 Total investment in non-business use real property shall not exceed 20 percent of the Company's total paid-in capital.</p> <p>II、 Total investment in securities shall not exceed 50 percent of the Company's total paid-in Capital.</p> <p>III、 Individual investment in each security shall not exceed 25 percent of the Company's total paid-in capital.</p>	<p>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.</p> <p>II、 Cooperate with the practical</p>

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>
<p>Chapter III Article XIII</p>	<p>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.</p>	<p>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.</p>	<p>Clause no. change.</p>
<p>Chapter III Article XIV</p>	<p>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, plantroom 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, plantroom and equipment cycle.</p>	<p>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, plantroom and equipment cycle.</p>	<p>Clause no. change.</p>
<p>Chapter III Article XV</p>	<p>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.</p>	<p>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.</p>	<p>Clause no. change.</p>
<p>Chapter IV Article XVI</p>	<p>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</p>	<p>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</p>	<p>Clause no. change. And change the legal basis.</p>

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
	<p>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.</p>	<p>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.</p>	
<p>Chapter IV Article XVIII</p>	<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 Articel XX</p>	<p>Articel 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>Articel 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. 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 1mof 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. 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 1mof 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.	
Chapter VIII 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>Article XXXIV-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>5th amendenment was made on Jun.22,2017.</p> <p>6th 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.</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>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
<p>Chapter I <u>Article VI</u></p>	<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. 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. <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 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>
<p>Chapter II Section I <u>Article VII</u></p>	<p><u>Article VII</u> ∙ <u>the company's funds and others shall be handled in accordance with the following operating procedures:</u> I ∙ <u>the object of loans and funds: should be in accordance with the provisions of this procedure Article III.</u> II ∙ <u>criteria for the evaluation of financial loans and others:</u> (I) <u>Engaged in the loan of funds due to business relations.</u> (II) <u>To engage in financial loans due to the need for short-term financing Shall be limited to the following circumstances:</u> 1 ∙ <u>The company has a stake of more than 50% of the company because of business needs and have the necessary short-term financing.</u> 2 ∙ <u>his company or line number due to the purchase of materials or operational turnover needs and have the necessary short-term financing.</u> 3 ∙ <u>ther by the company's board of directors agreed to fund loans.</u> III ∙ <u>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 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"> <u>1. The necessity and rationality of capital loan and others.</u> <u>2. Credit and object of credit and risk assessment.</u> <u>3. the company's operating risks, financial conditions and shareholders ' equity impact.</u> <u>4. Whether the valuation value of the collateral and the collateral should be obtained.</u> <p><u>(II) Funds loan and processing procedures:</u></p> <ol style="list-style-type: none"> <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> 	<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 Subsequent 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>Articel 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>Article IX</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: 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>Article VI - 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 company Direct and indirect holding of voting shares per cent 90 or more Among the companies. Endorsement Guarantee Total UH And to the single enterprise endorsement guarantee limit to No more than This Our company Most recent financial statements Net worth 10%. However, the company directly 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"> <u>1, the necessity and rationality of endorsement guarantee.</u> <u>2, endorsement guarantee object credit and risk assessment.</u> <u>3, the company's operating risks, financial conditions and shareholders' equity impact.</u> <u>4. Whether the valuation value of the collateral and the collateral should be obtained.</u> 	<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"> <u>(I) The necessity and reasonableness of the guaranty</u> <u>(II) The necessity of the guaranty amount, as compared to the financial strength of the guaranteed company.</u> <u>(III) If the aggregate guaranty amounts exceed the limits.</u> <u>(IV) Is there any other possibility that would endanger the rights and interests of the company.</u> <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) <u>Endorsement Guarantee Processing procedure:</u></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, the Accounting 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>Article XIV ∙ 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
<p>Chapter III Section I <u>Article XIV</u></p>	<p><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.</p>	<p>—</p>	<p>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.</p>
<p>Chapter III Section II <u>Article XV</u></p>	<p><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.</p> <p><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></p>	<p><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.</p> <p><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.</p> <p><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.</p>	<p>I ∙ Clause change II ∙ Wording revision.</p>
<p>Chapter III Section II <u>Article XVI</u></p>	<p><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</p>	<p><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</p>	<p>I ∙ Clause change. II ∙ Wording revision.</p>

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 Article XXII</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>

SCAN-D CORPORATION

Article of Incorporation

Chapter 1 General Provisions

Article 1: This Corporation is incorporated in accordance with the regulations of the Company Act and registered under the business name of SCAN-D CORPORATION.

Article 2: This Corporation's scope of service are set out hereunder

- I. CN01010 Furniture and Fixtures Manufacturing
- II. E801010 Building Maintenance and Upholstery
- III. F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures
- IV. F111090 Wholesale of Building Materials
- V. F205040 Retail Sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures
- VI. F211010 Retail Sale of Building Materials
- VII. I503010 Landscape and Interior Designing
- VIII. F113030 Wholesale of Precision Instruments
- IX. F113070 Wholesale of Telecom Instruments
- X. F118010 Wholesale of Computer Software
- XI. F119010 Wholesale of Electronic Materials
- XII. F199990 Other Wholesale Trade
- XIII. F299990 Retail Sale of Other Retail Trade Not Elsewhere Classified
- XIV. F399990 Retail Sale of Others
- XV. F401010 International Trade
- XVI. G801010 Warehousing and Storage
- XVII. I103060 Management Consulting Services
- XVIII. I301010 Software Design Services
- XIX. I301030 Digital Information Supply Services
- XX. I501010 Product Designing
- XXI. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: This Corporation has its head office in Taoyuan City, and the Corporation may establish branches, representative offices or factories in and out of this country after the resolution from the Board.

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

Article 5: This Corporation may re-invest as a shareholder with limited liability of other companies, and the total re-investment amount is not limited by the amount as regulated in Article 13 of the company Act.

Article 5-1: This Corporation may make guarantees to others for business needs.

Chapter 2 Shares

Article 6: The total amount of this Corporation's capital is NTD \$800 million, which is further divided into \$80 million shares, with the value per share NTD \$10, and the Board is authorized to issue shares in installments.

Article 7: Shares of this Corporation are issued with signing or stamping of seal by three or more directors and numbers as well as being attested to by a competent authority or its certified issuance registration institution before issuance.

This Corporation may offer shares not printed or print based on the total amount of shares issued each time. However, the shares not printed shall be registered by the centralized securities depository enterprise.

Article 8: Shares shall not be transferred within 60 days prior to the convening of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target fixed by the issuing corporation for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders' Meeting

Article 9: There are two types of shareholders' meeting:

Regular meeting: Held once per year, the meeting shall be convened within six months after the close of each fiscal year.

Special meeting: convened in accordance with the relevant laws and regulations when necessary.

This Corporation shall prepare written versions of the shareholders meeting notice to the shareholders before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting.

With the consent of the addressee, the meeting notice may be given in electronic form. For shareholders holding less than 1,000 registered shares, the notice can be done in public announcements.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. The proposals are handled in accordance with the Company Act and relevant regulations.

Article 10: When a shareholder is unable to attend the shareholders' meeting for whatever reason, that shareholder shall appoint a proxy to attend by offering company issued written proxies. The attendance of a shareholder's proxy shall be handled in accordance with Article 177 of the Company Act and Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies by competent authorities.

Article 11: A shareholder, unless otherwise stipulated in Article 179 of the Company Act relating to the circumstances of certain shares as having no voting right, shall have one voting right in respect of each share in his/her/its possession.

Article 12: Resolutions of a Shareholders' meeting, unless regulated otherwise in relevant regulations, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, and shall be handled in accordance with Article 183 of the Company Act.

Chapter 4 Directors and Supervisors

Article 13: The Corporation shall appoint 5-7 directors and 3-5 supervisors using the cumulative voting system with voting by shareholders meeting attendees with legal capacity, and the term of the director is three years and may be re-elected after the term.

Article 13-1: In the aforementioned number of directors of the Corporation, the number of independent directors shall not be less than two persons but not more than one-fifth of the total number of directors.

This Corporation's independent director election adopts the candidate nomination system, and the shareholders shall elect the independent director from among the nominees. The elections for this Corporation's independent and non-independent directors may be held concurrently, with votes calculated separately in groups of directors and non-directors

The professional knowledge, shareholding, part-time job restrictions, nominations, means of election as well as other relevant issues of independent directors should all be in accordance with the regulations of the securities competent authority.

Article 14: The Chairman is elected by two-thirds of the directors present at the meeting and representing one-half or more of the number of directors present at the meeting. Vice chairperson is elected using the same method. When the Chairman of the Board is on leave or for any reason and unable to exercise the powers of the Chairman, the proxy is handled in accordance with Article 208 paragraph 4 of the Company Act.

Article 14-1: The reason for convening of the Board of Directors shall be stated and the directors are notified of such seven days in advance, but may be convened at any time when there is an emergency. The above notice in respect of convening the meeting shall be done in writing, by electronic email, or by facsimile.

Article 15: If a director of cannot attend the board of directors meeting, the director may appoint other directors as proxy to attend the meeting. The aforementioned proxy may act as a proxy for only one other director. Where a director resides in a foreign country, the director may appoint other domestic shareholders to act as proxy to attend a board of directors meeting constantly. The aforementioned proxy is effective after registration to the competent authority; the same applies when the procedures are amended

Article 16: The board of directors is authorized to determine the amount of compensation to the directors and supervisors of this Corporation based on involvement to operation participation and value of contribution, with the standard terms in the industry referred, regardless of gain or loss in this Corporation's operations. In case the chairman, director or shareholder be concurrently an employee, the chairman is deemed as regular staff and shall be paid accordingly.

This Corporation may insure liability insurance for all directors and supervisors.

Chapter 5 Manager

Article 17: The Corporation may have more than one manager, whose appointment, discharge and compensation shall be handled in accordance with Article 29 of the Company Act. The manager is authorized to manage affairs and apply signatures for this Corporation within the scope of this Article of Incorporation or the scope of authority as regulated in an agreement.

Chapter 6 Accounting

Article 18: The fiscal year of this Corporation starts on the first day of January every year and ends on the thirty-first of December of the same year. This Corporation shall compile the following statements at the end of each fiscal year and submit to its shareholders for their ratification no later than 30 days from the date of shareholders' meeting.

- (I) The annual business report
- (ii) The financial statements; and
- (iii) The appropriation of profit and remedy in the event of loss proposal

Article 19: If there is a profit in the final accounts of the Corporation, a proportion no lower than 4 percent shall be reserved as employees' compensation, distributed in share of cash as resolved by the board. Qualification requirements of employees, including the employees of subsidiaries of the Corporation meeting certain specific requirements, entitled to receive shares or cash in accordance with the provisions stipulated by the board; the Corporation may, based on the aforementioned profits, reserve a proportion no higher than 2 percent as compensation to the directors and supervisors. Distribution of employees' compensation and directors and supervisor's compensation shall be submitted to the shareholders' meeting for report. However, if there's still losses, the amount to make up for the losses shall be made first before distributing the compensation in the ratio hereof.

Article 19-1: The surplus upon each final accounts of the Corporation, after all taxations and make-up for losses in the previous years in accordance with the law and regulations, 10 percent shall be reserved as statutory surplus reserve, but this is no longer necessary when the statutory surplus reserve has reached the total amount of capital of this Corporation.

Allocation of dividends shall also take this Corporation's needs for future expansion on operation expansion into account, considering the Corporation's status on cash flow and operation surplus to enable a

more flexible business operation and to strengthen competitiveness. Shareholders' bonus in the retained earnings allocation proposed by the board of directors shall not lower than 20 percent of the value of current net income deducting the legal reserve. In this dividend allocation, cash dividend shall not be lower than 30 percent of the distributable dividend.

Chapter 7 Supplementary Provisions

Article 20: This Corporation's organic regulations and operation rules shall be set otherwise.

Article 21: Any unspecified matters in this Articles of Incorporation shall be dealt in accordance with the Company Act and relevant regulations.

Article 22: This Article of Incorporation was drawn up on the third of October 1995.
(omitted)

Twenty-first amendment was effected on the twenty-second of June 2017.

SCAN-D CORPORATION

Procedures for the Acquisition or Disposal of Assets (Before amendment)

Chapter 1 General Principles

Article 1 · The procedure is prepared according to article 36-1 of Security Trade Act and the regulations issued by FSC.

Article 2 · Applicable Scope of Assets

- (1) 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.
- (2) Real property (including land, houses and buildings, investment property, land-use right and construction enterprise inventory) and equipment.
- (3) Memberships.
- (4) Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- (5) Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- (6) Derivatives.
- (7) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfers of shares in accordance with law.
- (8) Other major assets.

Article 3 · Terms used in the Regulation are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange 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.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Chapter 2 Assessment
Section 1 Price

- Article 4 、 The acquisition or disposal of real estate and other fixed assets shall refer to the publicly announced current value, appraised current value, the actual transaction price or book value of the adjacent real estate and the supplier's quotation. In the case of the purchase of real property from a related party, a calculation shall be made using the method prescribed in Chapter 2 hereof to evaluate whether the transaction price is reasonable.
- Article 5 、 The acquisition or disposal of securities that have been traded in the centralized securities exchange market or over-the-counter (OTC) market shall be determined by the prevailing share or bond prices.
- Article 6 、 The acquisition or disposal of securities not traded in the centralized securities exchange market or OTC market shall take into account their net value per share, technology and profitability, future development potential, market interest rate, bond coupon rate and debtor's credit, with reference to the latest transaction price at that time.

Section 2 Price reference

- Article 7 、 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:
1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
 2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to 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:
 - A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- Article 8 、 The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

Article 9 ∙ 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.

Article 9-1 ∙ 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.

Article 10 ∙ 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.

Chapter 3 Working procedure

Article 11 ∙ 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.

Article 12 ∙ 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 13 ∙ 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, plantroom and equipment cycle.

Article 14 ∙ 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.

Chapter 4 Related party transaction

Article 15 ∙ When a public company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.
The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9-1 herein.

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

Article 16 ∙ 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:

I ∙ The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.

II ∙ The reason for choosing the related party as a transaction counterparty.

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 11 and Article 12.

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.

- 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 transaction, and reasonableness of the funds utilization.
- VI ․ An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- VII ․ Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts shall be made in accordance with Subparagraph 2, Article 32 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.

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.

The auditor committee shall approve the preceding paragraph and report to the board to apply for the regulation of articles 35-4 and 5.

Article 17 ․ The rationality of the related party trade shall be as follows:

- 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.
- 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.

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.

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:

- I ․ The related party acquired the real property through inheritance or as a gift;
- II ․ More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property to the signing date for the current transaction; and
- 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.

Article 18 ․ When the results of the Company's appraisal conducted in accordance with the preceding Article 19 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.

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

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.

Article 19 ∙ 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:

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 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.

II ∙ Supervisors shall comply with Article 218 of the Company Act.

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.

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.

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 Reg No 289175 9 the matrix set forth in paragraph 2 of this Article.

Chapter 5 The trading principles and policies of the company engaged in derivative commodity trading

Article 20 ∙ The trading principles and policies of the company engaged in derivative commodity trading :

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

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 investment income, such as financial operations, as the basis for accounting.

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.

IV ∙ Quota :

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.
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.

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.

- 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).
- VII ∙ Authorization amount: Less than 60 million of the transaction amount is approved by the Chairman, and more than 60 million must be started with the consent of the Board of Directors.
- VIII ∙ Execution unit: In order to make the transaction authority consistent, the company's financial personnel to serve.

Article 21 ∙ The Company engaging in derivatives trading shall adopt the following risk management measures:

- I ∙ Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
- II ∙ Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
- 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.
- 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.
- V ∙ Other important risk management measures.

Article 22 ∙ The Company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

- I ∙ Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
- 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.

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

- I ∙ Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.
- 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.

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.

Article 23 ∙ 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 4, the first and second paragraph of article 22 and the first paragraph, details are published in the memorandum Book for reference.

The internal auditor of the company shall regularly understand the permissibility 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.

Chapter 6 Mergers, Demergers, Acquisitions, or Transfer of Shares

Article 24 ∙ 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 25 ‧ 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 26 ‧ The Company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters 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.

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:

- 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.
- 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.
- 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.

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.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two and three paragraphs.

Article 27 ‧ 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 28 ‧ Any merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

- I ‧ Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
- II ‧ An action, such as a disposal of major assets that affects the company's financial operations.
- 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 29 ∙ 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 equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - 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.
 - IV ∙ The manner of handling changes in the number of participating entities or companies.
 - V ∙ Preliminary progress schedule for plan execution, and anticipated completion date.
 - VI ∙ Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- Article 30 ∙ 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 31 ∙ 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 26, 27, 30.

Chapter 7 Information Disclosure

- Article 32 ∙ 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 ∙ 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.
 - II ∙ Mergers, demergers, acquisition, or transfers of shares.
 - III ∙ Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
 - IV ∙ Where 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.
 - 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.
 - 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:
 - (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.

The amount of transactions above shall be calculated as follows:

- I ∙ The amount of any individual transaction.
- II ∙ The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
- III ∙ The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property within the same development project within the preceding year.
- IV ∙ The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"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.

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.

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.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the Company, where they shall be retained for 5 years except where another act provides otherwise.

Article 33 ∙ 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:

- I ∙ Change, termination or dissolution of the relevant contract signed by the original transaction.
- II ∙ Mergers, splits, acquisitions or share purchases are not completed according to the contract schedule.
- III ∙ The contents of the original announcement have been changed.

Chapter 8 Annex

Article 34 ∙ Management on subsidiary acquiring assets:

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.

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.

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.

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 32-1 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies of the R.O.C., which requires a public announcement and 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.

Article 34-1 ∙ 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.

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%.

Article 35 ∙ 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.

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.

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" in paragraph 4 and "all Directors" in the preceding paragraph shall be defined based on the actual number of persons currently holding those positions.

If the Board of Auditors has been established in accordance with the regulations, the provisions of Article 23 shall be used by the Board of Auditors.

If the Board of Auditors has been established in accordance with the regulations, the provisions of Article 19-12 shall be used by the independent directors.

The procedure was established on Jun.3, 2003.

1st amendenment was made on Jun.15,2007.

2nd amendenment was made on Aug.30,2010.

3rd amendenment was made on Jun.28,2012.

4th amendenment was made on Jun.19,2014.

SCAN-D CORPORATION

Procedures to grant loan and endorsement (Before amendment)

Chapter 1 General Rules

- Article 1、These Regulations are promulgated pursuant to Article 36-1 of the Securities and Exchange Act.
- Article 2、The Company shall comply with the operational procedures when making loans to and endorsements/guarantees for others; provided that where another act or regulation provides otherwise, the provisions of such act or regulation shall prevail.
- Article 3、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:
- I、Company dealing business with the Company and the amount shall not exceed the accumulated transaction amount.
- 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.
- 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.
- Article 4、The term "endorsements/guarantees" as used in the operational procedures refers to the following:
- I、Financing endorsements/guarantees, including:
- (I) Bill discount financing
- (II) Endorsement or guarantee made to meet the financing needs of another Taiwan Mobile Co., Ltd. company
- (III) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company itself.
- II、Customs duty endorsement/guarantee, meaning an endorsement or guarantee for the Company itself or another company with respect to customs duty matters.
- III、Other endorsements/guarantees, meaning endorsements or guarantees beyond the scope of the above two subparagraphs
- IV、Any creation by the Company of a pledge or mortgage on its chattel or real property as security for the loans of another company shall also comply with the operational procedures.

Article 5、 The Company may make endorsements/guarantees for the following companies:

- I、 A company which has a business relationship with the Company.
- II、 A company in which the Company directly and indirectly holds more than 50.percent of the voting shares
- III、 Company with over 50% vote right to our Company.
- IV、 Company 90% owned by the Company.

Article 6、 The ceilings on amount of endorsement/guarantee

- I、 The aggregate amount of endorsements/guarantees provided by the Company shall not exceed 40% or more of the net worth of the Company
- 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
- III、 The party to whom the Company provides endorsement and/or guarantee shall with net worth over 50% of issued capital.
- 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.

Chapter 2 Working procedures

Section 1 Loan to others

Article 7、 Procedures for Granting of Loan

I、 Credit Investigation:

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.

II、 Securities:

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.

III、 Scope:

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.

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.

- IV 、 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.
- V 、 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.
- VI 、 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.

Article 8 、 Term for loans of funds and the method of calculating interest rate:

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.

Article 9 、 Subsequent Monitoring and Procedures for Dealing with Delinquencie for Approved Loans:

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.

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.

Article 10 、 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.

"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.

Section 2 Grant endorsement to others

Article 11 、 Authority:

- 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.
- II 、 A guarantee of endorsement of a company other than a subsidiary shall be adopted by a resolution of the board of Directors .
The company has set up independent directors, in the discussion of the previous board of directors, should take full account of the views of the independent directors, and their consent or objections to the express views and reasons for the objection to the board records.
- 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.
- IV 、 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.

Article 12 、 Working procedure :

- 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.
- 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.

- 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.
- 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.
- 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 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.

Article 13 ∙ Management procedure :

- 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.
- II ∙ The preceding correspondence and notes shall first be audited by the management department, and the main points of their examination are as follows:
 - (I) The necessity and reasonableness of the guaranty
 - (II) The necessity of the guaranty amount, as compared to the financial strength of the guaranteed company.
 - (III) If the aggregate guaranty amounts exceed the limits.
 - (IV) Is there any other possibility that would endanger the rights and interests of the company.
- III ∙ The management department shall, together with the letter and the bill, endorse the audit opinion with the Chairman.
- IV ∙ The instrument approved by the Chairman of the endorsement must complete the following formalities and return to the guaranteed company:
 - (I) Impress company seal.
 - (II) Keep the copy of the endorsed notes.
 - (III) Record the Reference Book.
- 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.

Article 14 ∙ Cancellation of endorsed notes:

- 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.

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.

III 、 When the bill is renewed, financial institutions often require endorsement of the new instrument 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.

Article 15 、 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 13 and 15.

Article 16 、 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.

Chapter 3 Information Disclosure

Section 1 Loan to others

Article 17 、 he 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

Article 18 、 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:

I 、 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.

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.

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.

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.

Articel 19 、 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.

Section 2 Provide endorsement to others

Articel 20 、 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

Articel 21 、 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:

- 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.
- 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.
- 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.
- 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 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.

Article 22 、 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.

Article 23 、 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.

Chapter 4 Annex

Article 24 、 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.

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.

Article 25 ∙ The procedure was made on Jul.2, 2001.

1st amendemant was made on Jun.3, 2003.

2nd amendemant was made on Jun.9, 2006.

4th amendemant was made on Jun.29, 2009.

6th amendemant was made on Jun.13, 2013.

SCAN-D CORPORATION

Rules and Procedures of Shareholders' Meeting

Article 1

The rules for compliance are stipulated in accordance with Article 5 of the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” for establishing the Company’s excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.

Article 2

The Rules of Procedures for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).

Article 3 (Call and Notice)

The Company’s shareholders’ meetings, unless otherwise provided by the law and regulations, should be convened by the Board of Directors.

The Company shall compile an electronic file that contains the meeting advice, a proxy form, a detailed description of agendas to be acknowledged or discussed during the meeting, and notes on re-election or dismissal of directors/supervisors and post it onto the Market Observation Post System (MOPS) at least 30 days before a general shareholders’ meeting, or 15 days before an ad hoc shareholders’ meeting. The Company shall also compile an electronic file that contains the Agenda for the Shareholders’ Meeting and other supplementary meeting data and post it onto the Market Observation Post System (MOPS) at least 21 days before a general shareholders’ meeting, or 15 days before an ad hoc shareholders’ meeting. The Annual Meeting Handbooks and the supplementary information are made available to shareholders fifteen days prior to the annual meeting of shareholders. Also, they are on display at the Company and its Stock Agent and distributed to the shareholders at the meeting place.

The notice and announcement of convening the board meeting can be made electronically with the consent of the counterparty.

The election or dismissal of directors, supervisors, amendments to the Company Corporate Charter (Articles of Incorporation), dissolution, merger, division or the clauses of Article 185 Paragraph 1 of the Company Law, the matters stated in Article 26-1 and Article 43-6 of the Securities and Exchange Act shall be stated in the reasons for convening the meeting not in the motion.

Shareholders with over 1% shareholding of the shares issued may have proposals presented in writing to the Company’s General Shareholders’ Meeting. However, it is limited to one proposal and more than one proposal presented will not be discussed at the meeting. The Board of Directors may not have proposals presented by shareholders that fall within the scope of Article 172-1-4 of the Company Act included for discussion.

The Company shall announce the proposals admitted, the premises and the admission period before the stock stop-transfer date prior to the general shareholders’ meeting is convened. The admitting period may not be less than 10 days.

The shareholder's proposal is limited to 300 words, otherwise it will not be included for discussion. The proposing shareholders must attend the general shareholders’ meeting in person or by proxy to participate

in the proposal discussion.

The Company shall have the processing result presented in the shareholders' meeting before the meeting convening date and have the proposals in compliance with this clause included in the notice of the meeting. The Board of Directors is to give the reason why the shareholder's proposal is not included for discussion in the shareholders' meeting.

Article 4

Shareholders may issue a proxy printed by the Company with the scope of authorization defined to attend the shareholders' meeting.

It is limited to one proxy per shareholder and one proxy only that should be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. However, an exception is granted if the shareholder issues a proper declaration to withdraw the previous proxy arrangement.

If the shareholders wish to exercise their balloting rights by attending the meeting in person after the proxy is received by the Company, the shareholders shall have the Company informed in writing two days prior to the shareholders' meeting date to revoke the proxy. The balloting right exercised by the representative shall prevail if the proxy is not revoked before the deadline.

Article 5

(Principle of choosing the time and location of a shareholders' meeting)

The shareholders meeting must be held at a location that is suitable and convenient for shareholders to attend. The meeting must not commence any time earlier than 9AM or later than 3PM. Independent Directors' opinions must be fully taken into consideration when deciding the time and venue of the meeting.

Article 6

(Preparation of documents such as the attendance log)

The Company shall specify the meeting time and place on the Notice and commence the registration 30 minutes early before the meeting starts.

The Company should have the attendance log ready for the signature of the attending shareholders or the shareholder's representative (hereinafter referred to as the Shareholders), or the attending shareholders may have the signature card submitted as an alternative to the signature.

The Company shall have the agenda handbooks, annual reports, attendance certificate, statement slip, votes, and other conference materials delivered to the attending shareholders. In addition, for the election of directors and supervisors, if any, the electoral ballots should be enclosed.

Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.

The number of representatives attending the shareholders' meeting on behalf of the institutional shareholders, both the government and legal person, is not limited to one person. The number of legal persons entrusted to attend the shareholders' meeting is limited to one person.

Article 7 (Chairman of the shareholders' meeting and attending personnel)

If the meeting of shareholders is convened by the Board, the Chairman of the Board is to chair the meeting. If the chairman is on leave or is unable to exercise his/her powers for certain reasons, the Vice Chairman is to chair the meeting. If a Vice Chairman is not appointed or the Vice Chairman is also on leave or is unable to perform their duties for certain reasons, the Chairman is to appoint one of the general directors to chair the meeting. If a general director is not appointed, one of the directors is appointed to chair the meeting. If a representative is not appointed by the Chairman, one of the general directors or directors should be elected among the board members to chair the meeting. It is preferable if there is a majority of the board directors attending the shareholders' meeting that is convened by the Board of Directors. If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairman. If there are two or more conveners, they shall appoint one among themselves to chair the meeting. The Company may summon its lawyers, certified public accountants, and any relevant personnel to the shareholders meeting.

Article 8

(Audio or video records of the process of shareholders' meetings)

The Company should have the entire registration, meeting and voting process of shareholders taped in an audio or video recording and stored for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above-mentioned documents must be retained until the end of the litigation.

Article 9

The chairman should announce the commencement of the meeting as soon as it is due. However, if the attendees represent less than half of all outstanding shares, the meeting chairman may announce the postponement of the meeting up to two times, for a period totaling no more than one hour. The chairman may announce the meeting is adjourned if there are still an insufficient number of shareholders to represent two thirds of the shareholding to attend the meeting after two meetings are postponed.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Article 175 Paragraph 1 of the Company Law. Also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the Chairman may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Law.

Article 10

(Motion discussion)

If the shareholders' meeting is convened by the Board of Directors, its agenda is set by the Board of Directors. The meeting is conducted in accordance with the agenda and it may not be changed without the resolutions reached in the shareholders' meeting.

The provision referred to above is applicable even when the shareholders' meeting is convened other than by the Board of Directors.

The Chairman may not announce the meeting is adjourned until a resolution is reached for the two procedures (including motions) referred to above. If the Chairman has announced the meeting adjourned in violation of the procedures, the other board directors shall promptly assist the shareholders present with a majority of balloting rights to elect a chairman to continue the meeting in accordance with the legal procedures.

The Chairman must give the proposal, or the amendment or ad hoc motion proposed by the shareholders an opportunity to be explained and discussed sufficiently until it is ready for balloting and then stop the discussion for balloting.

Article 11

(Shareholders' speech)

Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting chairman.

Shareholders who submit Speak Request Forms without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the Speak Request Form, the actual comments shall prevail.

Each shareholder may not speak on the same proposal more than twice and not more than 5 minutes each time unless otherwise permitted by the Chairman. However, the Chairman may stop the shareholder from speaking if the speech is in violation of regulations or outside the scope of the proposal.

While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way without the consent of the meeting chairman and the person speaking. The meeting chairman shall restrain any violators.

For corporate shareholders who have appointed two or more representatives to attend the shareholders meeting, only one representative may speak per agenda.

The Chairman may have the speech of the shareholder responded to in person or by the designated personnel.

Article 12

(Calculation of shares with voting rights and system of avoidance)

The balloting of the shareholders' meeting is based on the shareholding represented.

For the resolutions of the shareholders' meeting reached, the shareholding of the shareholders without balloting right is excluded from the count of the outstanding shares.

Shareholders cannot vote, or appoint proxies to vote, on any agendas that present conflicting interests, if doing so may compromise The Company's interests.

The number of shares held by shareholders who are not permitted to vote shall be excluded from total voting rights represented at the meeting.

Except for the trust enterprise or the securities brokerages approved by the competent securities authorities, the balloting rights of a representative who is commissioned by two or more shareholders

shall not exceed 3% of the balloting rights representing the total outstanding shares, and any portion in excess does not count.

Article 13

Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Paragraph 2, Article 179 of The Company Act.

Voting rights can be exercised in writing or through the electronic method. Instructions for exercising voting rights in writing or through an electronic form must be clearly stated on the shareholders meeting advice. Shareholders who have voted in writing or who have used the electronic method are considered to have attended the shareholders meeting in person. However, they waive their rights to participate in any special motions or revisions to the original agendas that may arise during the shareholders meeting.

The uses of written and electronic votes mentioned above must be delivered to The Company at least 5 days before the shareholders meeting. If there are duplicate submissions, the earlier submission shall prevail. However, an exception is granted if the shareholder issues a proper declaration to withdraw the previous vote.

If, after submitting a written or electronic vote, the shareholder wishes to attend the shareholders meeting in person, then a proper declaration of withdrawal must be issued using the same method as the original vote at least 1 day before the shareholders meeting. If the withdrawal is not received in time, then the written or electronic vote shall prevail. If the shareholder has exercised written or electronic votes, and at the same time delegated a proxy to attend the shareholders meeting, then the voting decision exercised by the proxy shall prevail.

Unless otherwise provided in the Company Act and the Company's Articles of Incorporation, the proposal is passed at the meeting by the shareholders representing a majority of the balloting rights. The chairman or the designated personnel are to announce the total number of balloting rights of the shareholders presented at the time of balloting.

If none is replied, the agenda is considered to have passed unanimously in favor. If objections are raised, the agenda shall be voted on according to the rules outlined above.

For a proposal with an amendment or alternative put to vote, the chairman is to have it prioritized for balloting with the original bill enclosed. If any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.

The chairman will appoint a ballot examiner and a ballot counter for each agenda. However, the ballot examiner must be a Director.

The ballot counting will proceed openly during the meeting. The outcome of the vote must be documented and announced on site.

Article 14

(Election-related Issues)

The election of directors and supervisors held at the meeting of shareholders should be arranged in accordance with the Company's election specifications and with the election results announced immediately at the meeting place.

The ballots of the election referred to above should be sealed, signed, and reserved by the ballot monitor

for safekeeping for at least one year. However, if a shareholder makes a litigious claim against The Company according to Article 189 of The Company Act, the above-mentioned documents must be retained until the end of the litigation.

Article 15

The resolutions reached in the shareholders' meeting must be documented in the minutes of the meeting for the signature or seal of the chairman. The minutes of the meeting must be distributed to the shareholders in 20 days.

The distribution of the minutes mentioned above may be by publishing.

The minutes must detail the date and venue of the meeting, the meeting chairman's name, the method of resolution, and the summary and results of meeting agendas. These minutes must be retained indefinitely.

Article 16

(External publishing)

The Company must have the statistics of the number of shares by soliciting and by proxy prepared in the prescribed format and have it disclosed openly at the meeting venue on the meeting date.

If the resolutions reached in the shareholders' meetings involving material information regulated by law and regulations and the ROC GTSM, the Company shall have the material information uploaded to the MOPS within the prescribed time.

Article 17

(Maintain the order on the meeting)

The service personnel for the shareholders' meeting shall wear identification badges or armbands.

The chairman may instruct picketers or security staff to help maintain order at the meeting. While maintaining order at the meeting, all picketers or security staff must wear arm badges which identify their roles as "Staff".

If the meeting venue is equipped with speakerphones, the chairman may stop the shareholders who do not use the device provided by the Company from speaking.

The chairman may command the marshals or security guards to escort the shareholders to leave the meeting venue if they are in violation of the rules of procedure, disobey the chairman, and/or interfere with the meeting proceeding.

Article 18

(Break and resuming)

The chairman at his/her discretion may announce the meeting is in recess. Also, they may announce the suspension of the meeting due to force majeure and announce the time for the meeting to resume.

If the venue of shareholders' meeting is not available before the end of the procedures (including motions), the shareholders' meeting may resolve to find another venue to continue the meeting.

The meeting of shareholders may, in accordance with Article 182 of the Company Law, resolve to have the meeting postponed or resumed in five days.

Articel 19 (Appendix)

These rules shall take effect once approved during a shareholder meeting. The same applies to all subsequent revisions

The rule was made on Mar. 20, 2000.

1st amendament was made on May 10,2002.

2nd amendament was made on Jun.6,2008.

3rd amendament was made on Jun.28,2012.

4th amendament was made on Jun.13,2013.

5th amendament was made on Jun.20,2018.

SCAN-D CORPORATION**Shareholding information of Directors and Supervisors**

(As of Apr.22, 2019)

Position	Name	Representative	Shares	Ratio
Chairman	NOBLE LINK MANAGEMENT LTD.	LIM POK CHIN	15,049,125	32.62%
Director	NEO KHAY PIN		0	0.00%
Director	LIM JIE REN,JULIAN		0	0.00%
Independent director	CHEN , CHUNG- CHENG		0	0.00%
Independent director	WANG,CHIA-CHENG		134,525	0.29%
	Total		15,183,650	32.91%

Position	Name	Representative	Shares	Ratio
Supervisor	WANG,I-YAO		233,118	0.51%
Supervisor	LEE,SHIN-MO		38,000	0.08%
Supervisor	LIU,CHIH-HUNG		40,000	0.09%
	Total		311,118	0.68%

1. The paid-in capital of the company is 461,332,270 dollars; shares issued: 46,133,227 shares.
2. The minimum shareholding of the directors are 3,690,658 shares and 369,065 shares(note).
3. The number of shares held by individual and all directors and supervisors recorded in the Register of shareholders as at the end of the 2019 general Meeting is the same as the above information.

Note: According to the second article of "directors of public offering companies, supervision of the shares of persons and verification of actual provisions" , all directors and supervisors of independent directors who elect independent directors are reduced to 80% of their shareholding in accordance with the preceding ratio.

SCAN-D CORPORATION

The influence of this unpaid rights issue on the company's business performance, earnings per share and shareholder's return on investment

Unit:

Except that the surplus per share is expressed in dollar,
The rest are NT dollars

Item	Year	2019 (expected)
Amount of capital received at the beginning of the period		461,332,270 dollars
Share rights and interest distribution (Note 1)	Cash dividend per share (dollar)	3.0 dollars
	Surplus to increase the number of shares per share	0 share
	Capital reserve to increase the number of shares per share	0 share
Operatig KPI	Business Benefits	Not applicable, for the company is not to disclose 2019 finaiial forecast.
	Increase or decrease in operating net profit compared with the same period last year	
	Pure benefits before tax	
	Rate of increase or decrease in pre-tax benefits over the same period last year	
	Surplus per share	
	Surplus per share compared with the same period last year	
	Average annual investment rate of return (average annual benefit ratio)	
EPS	If the surplus is transferred to capital, Convert Cash dividend	Proposed surplus per share
		Proposed annual average rate of return
	If the capital is not processed, Replenishment of public accumulation	Proposed surplus per share
		Proposed annual average rate of return
	If the capital reserve is not transferred and the surplus is converted to cash dividend payment	Proposed surplus per share
		Proposed annual average rate of return

Note1: to be determined on 2019 shareholders meeting.



feel at home.

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