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SCANTEAK
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Annual Shareholders'
Meeting Meeting Agenda
(Translation)

SCAN-D CORPORATION

Time: Jun.23, 2022 Am 09:00

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

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Scan-D Corporation 2022 General Shareholders' Meeting Agenda

- I. Announcing the Commencement of the Meeting
- II. Chairman's Speech
- III. Reporting Matters
- IV. Proposals
- V. Discussion
- VI. Extempore Motions
- VII. Adjournment

Scan-D Corporation

2022 General Shareholders' Meeting Agenda

Time: 9AM, Thursday, June 23, 2022

Address: No. 69, Dinhu 1 St., Gueishan Dist., Taoyuan City (the Company's conference room)

Shareholders meeting will be held by means of :physical shareholders meeting

- I. Announcing the Commencement of the Meeting
- II. Chairman's Speech
- III. Reporting Matters
 - (I) The Company's 2021 Business Report.
 - (II) Audit Committee's Review Report on the 2021 Financial Statements
 - (III) Report on the Company's 2021 Employees' and Directors' Remuneration Distribution.
 - (IV) Report on the Company's Second Conversion of Domestic Secured Corporate Bonds.
- IV. Proposals
 - (I) The Company's 2021 Business Report and Final Statement.
 - (II) The Company's 2021 Earnings Distribution.
- V. Discussion
 - (I) Amendments to Articles of the Company's Articles of Association.
 - (II) Assets Acquisition and Disposition Rules Amendment.
- VI. Extempore Motions
- VII. Adjournment,

Chapter 3. Reporting Matters

Proposal I Proposed by the Board of Directors

Subject: Report on the Company's 2021 business condition. Please review accordingly.

Description: Please refer to Annex I on page 6 to 7 of this manual for the Company's 2021 Business Report.

Proposal II Proposed by the Board of Directors

Subject: Audit Committee's Review Report on the 2021 Financial Statements.

Description: Please refer to Annex II on page 8 of Audit Committee's Review Report.

Proposal III Proposed by the Board of Directors

Subject: Report on the Company's 2021 Employees' and Directors' Remuneration Distribution. Please review accordingly.

Description: 1. Pursuant to the Articles of Association: In 2021, the Company's profit was NT\$349,592,316 (i.e. profit before tax less the benefits before distribution of employees', directors' and supervisors' remuneration less accumulated loss), employees' remuneration was NT\$14,682,877 and directors' and supervisors' remuneration was NT\$4,894,292, which were all paid in cash.

2. The proposal was reviewed by the Remuneration Committee and resolved by the Board of Directors.

3. There is no difference between the above distribution amount and the estimated amount of recognized expenses in 2021.

Proposal IV Proposed by the Board of Directors

Subject: Report on the Company's Second Conversion of Domestic Secured Corporate Bonds. Please review accordingly.

Description: The Company was approved by the Financial Supervisory Commission Jinguanzhengfa No. 1050044891 on November 17, 2016 to issue the second conversion of domestic secured corporate bonds of NT\$300 million. For details, please refer to Annex III on page 9 of this manual.

Chapter 4. Proposals

Proposal I Proposed by the Board of Directors

Subject: The Company's 2021 Business Report and Final Statement. Please review accordingly.

Description:

1. The Company's 2021 consolidated and individual financial statements have been audited by CPA Chen, Hui-Min and Kuo, Nai-Hua from Deloitte & Touche. An unqualified audit report has been issued, and Business Report and Financial Statements have been approved by the Audit Committee, with the review report included in the meeting minute.
2. Please refer to Annex I on page 6 to 7 of this manual for the above-mentioned Business Report, and Annex IV and V on page 10 to 29 of this manual for the Final Statement.

Resolution:

Proposal II Proposed by the Board of Directors

Subject: The Company's 2021 Earnings Distribution. Please review accordingly.

Description:

1. The Company's 2021 earnings distribution, the list of which has been prepared in accordance with the Company's Articles of Association.
2. A cash dividend of NT\$220,848,945 is expected to be distributed to shareholders (NT\$4.4 per share in cash). After it has been resolved by the General Shareholders' Meeting, the Board of Directors is authorized to set a separate ex-dividend date and payment date for the distribution. The cash dividend is rounded down to NT\$1 based on the distribution ratio. The total amount of fraction cash dividends less than NT\$1 shall be recognized in other income of the Company.
3. In the event that the number of shares outstanding is affected by changes in the Company's share capital, resulting in the change of the dividend rate, the shareholders meeting is requested to authorize the Board of Directors to handle such change at its full discretion.
4. Please refer to Annex VI on Page 30 of the Handbook for the Company's distribution of 2021 earnings.

Resolution:

Chapter 5. Discussion

Proposal I: Proposed by the Board of Directors

Subject: Please vote on the amendment to certain articles of the Company's Articles of Association.

Description:

1. In response to amendments made to the Company Act and the needs of business, certain articles of the Company's Articles of Association are proposed to be amended.
2. For the comparison table of the provisions of the Articles of Association before and after the amendments, please refer to Annex VII on pages 31 to 33 of this manual.

Resolution:

Proposal II: Proposed by the Board of Directors

Subject: Assets Acquisition and Disposition Rules Amendment.

Description:

1. In accordance with the Financial Supervisory Commission Jinguanzhengfa No. 1110380465 on January 28, 2022 correction, certain articles of Assets Acquisition and Disposition Rules Amendment of Association are proposed to be amended.
2. For the comparison table of Assets Acquisition and Disposition Rules Amendment before and after the amendments, please refer to Annex VIII on pages 34 to 47 of this manual.

Resolution:

Chapter 6. Extempore Motions

Adjournment

Business Report

Dear shareholders:

First of all, I would like to thank all the shareholders for attending the Company's general shareholders meeting. In the second quarter of last year, there was a sudden surge of COVID cases in Taiwan, and after the government has announced to raise the COVID alert to level 3, citizens were less willing to go out to gather in groups. Also, the number of customers in the retail channels of shopping malls was greatly decreased, and NOVA in Singapore was affected by the lockdown measures taken against the spread of COVID in neighboring Malaysia, which resulted in its delayed delivery of goods and influenced the sales. However, in the second half of the year, with the double benefits brought by lifted restrictions and the government's relief and revitalization measures, the revenues have begun to rise and exceeded that of 2020 steadily. This reflected that whether in inventory, cash flow, or post-pandemic marketing, the Company was fully prepared. In addition to traditional marketing, each store was also very active in operating its own media and sold through live-stream sessions, which added new momentum to the business operation. As of the end of 2021, the number of stores under the brand of SCAN-D CORPORATION has reached 133. As of the end of 2021, the number of Scan-D Group branches reached 133 branches (including 80 Scanteak branches, 50 Scan Living branches and 3 Sleep Gallery branches), maintaining its position as the largest furniture chain store in Taiwan. The Company's total revenue reached NT\$2,390 billion, representing an annual increase of 12.12%; net profit after tax was NT\$271 million, representing an annual increase of 19.77%. The 2021 operation results and 2022 business plan are reported as follows:

I. 2021 Business Report

(I) Implementation of Business Plan:

Unit: NT\$'000

Item \ Year	Amount in 2021	Amount in 2020	Increase (decrease)	Increase (decrease) ratio (%)
Operating revenue	2,389,851	2,131,422	258,429	12.12%
Gross profit	1,365,796	1,203,522	162,274	13.48%
Operating expenses	1,078,200	950,727	127,473	13.41%
Operating Profit	287,596	252,795	34,801	13.77%
Non-operating income (expenses)	56,566	40,182	16,384	40.77%
Net profit (loss) before tax	344,162	292,977	51,185	17.47%
Net profit (loss) after tax	270,502	225,854	44,648	19.77%

(II) Budget performance: Not applicable.

(III) Financial balance and profitability analysis:

Unit: NT\$'000

Item		Year		Increase (decrease) %	
		2021	2020		
Financial Condition	Operating revenue	2,389,851	2,131,422	12.12%	
	Gross profit	1,365,796	1,203,522	13.48%	
	Interest income	2,273	1,641	38.51%	
	Interest expenses	20,428	23,985	-14.83%	
	Net profit after tax	270,502	225,854	19.77%	
Profitability	Return on assets (%)	9.87	8.70	13.45%	
	Return on shareholders' equity (%)	21.28	20.71	2.75%	
	Paid-in ratio (%)	Operating Profit	57.30	54.10	5.91%
		Net profit before tax	68.57	62.69	9.38%
	Net margin (%)	11.32	10.60	6.79%	
	Earnings per share (net loss) (NT\$)	5.54	4.88	13.52%	

(IV) Research and development: Not applicable.

II. Summary of 2022 Business Plan

(I) Business strategy:

1. In 2022, we will continue to expand our stores and pursue opportunities in cross-industry alliances to showcase fusion stores with outstanding benefits.
2. Continue to increase the number of dual-brand group stores and expand the market to improve overall efficiency.
3. Make good use of channel advantages of being an international furniture and boutiques agency, implement multi-brand strategic operation.
4. Utilize information system to strengthen purchasing accuracy and optimize inventory management.

(II) Estimated Sales Volume and its Basis:

In the coming year, the Company will continue to establish more locations and expand the scale of operations. The revenue is expected to grow continuously in the coming year.

(III) 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, comfortable and 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 condition and future development direction. Scan-D will continue to uphold the business philosophy since its establishment "innovation, harmony, pragmatic, speed" and move towards corporate sustainable management. We also hope that our shareholders will continue to show support and encouragement. All employees of Scan-D shall try their best in achieving outstanding performance. Lastly, I wish you health and all the best.

Scan-D Corporation

Chairman: Lim, Pok-Chin

General Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2021 Business Report, Consolidated and Individual Financial Statements, and earnings distribution proposal, of which the Consolidated and Individual Financial Statements have been audited and certified by the CPAs, Chen, Hui -Min and Kuo, Nai-Hua, of Deloitte & Touche, and an unqualified audit report has been issued.

The above Business Report, Financial Statements, and earnings distribution proposal have been reviewed by the Audit Committee, and no mistakes were found. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is hereby submitted for approval.

TO

The Company's 2022 General Shareholders' Meeting

Scan-D Corporation

Convener of the Audit Committee: Wang, Chia-Cheng

March 30, 2022

Scan-D Corporation

The second conversion of domestic secured corporate bonds

Types of corporate bonds	The second conversion of domestic secured corporate bonds
Date of issuance	12.15.2016
Issuing amount	NT\$100,000
Issuance Price	Issued at par value
Total issuing par value	NT\$300,000,000
Total issuing amount	NT\$300,000,000
Coupon Rate	0%
Issuance period	12.15.2016-12.15.2021
Conversion period	01.16.2017-12.15.2021
Conversion premium rate	102.13%
Latest conversion price	NT\$35.6
Rights and conditions of sell back bonds	For details, please refer to issuance and conversion policies
Rights and conditions of buy back bonds	For details, please refer to issuance and conversion policies
Underwriter	Cathay Securities Corporation
Unconverted ordinary shares as of the publication date	7,210,002 shares
Unconverted amount as of the publication date	NT\$0

2021 Consolidated Financial Statements Independent Auditors' Report

To Scan-D Corporation

Audit Opinion

We have audited the consolidated balance sheets of Scan-D Corporation and its subsidiaries (hereinafter referred to as "Scan-D Group") as of December 31, 2021 and 2020, and the Consolidated Comprehensive Income Statement, Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow, and Notes to the Consolidated Financial Statement (including a summary of significant accounting policies) for January 1 to December 31, 2021 and 2020.

In our opinion, the above consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Auditors' Opinion

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

Key Audit Matters

Key audit matters, in our professional judgment, were of most significance in our audit of the financial statements for 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2021 Consolidated Financial Statements of Scan-D Corporation and its subsidiaries (Scan-D Group) are as followings:

Authenticity of Sales Revenue

As Scan-D Group belongs to the furniture retail industry and sells products to non-specific consumers, where there are many miscellaneous transactions, There are significant audit risks inherent in revenue recognition based on the significance and audit criteria. Therefore the sales revenue incurred from the orders with prices higher than the average sales amount of orders is listed as one of the key audit matters. For accounting policies on revenue recognition, Please refer to Note 4(15) of the consolidated financial report.

We have conducted the following key auditing procedures for the sales revenue generated from the orders with prices higher than the average sales amount of the above orders:

1. Understand the design and implementation, as well as testing the effectiveness of the internal control system for the above sales revenue process.
2. Obtain details of the above sales revenue, conduct sample testing samples, check the shipment supporting documents and the collection of receivables to confirm the authenticity of the sales revenue incurred.
3. We found no significant sales return and discount during the later stage of the period.

Other Matters

Scan-D Corporation has compiled the Individual Financial Statements for 2021 and 2020, and we have compiled an audit report with our unqualified opinion for reference.

Responsibilities of the Management and Governance Bodies on the Consolidated Financial Statements

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

In preparing the financial statements, the management is responsible for assessing the Scan-D Group's ability to continue as a going concern, disclosure of related matters and the adoption of the going concern basis of accounting, unless the management either intends to liquidate Scan-D Group or cease operation, or has no other practicable solutions other than liquidation or cease of operation.

The governing bodies (including the Audit Committee) of Scan-D Group are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS) will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could influence the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform appropriate countermeasures for the risks evaluated, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than that resulting from errors.
2. Obtain an necessary understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scan-D Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over Scan-D Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Scan-D Group to no longer have the capacity to function as a going concern
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express opinions on the consolidated financial statements. We are responsible for the guidance, supervision, and implementation of the Group's audit and responsible for forming audit opinions on the Group.

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

We also provide those charged with governance with a statement that the staffs required to be independent of the accounting firms under us have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, including related protection measures.

We have determined the key audit matters to be audited in the consolidated financial statements for 2021 based on the matters communicated with those charged with governance. We have clearly described the said matters in the auditor's report except for certain matters that are prohibited from public disclosure by laws or regulations or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to result in adverse effects that would be greater than the public benefits gained.

Deloitte & Touche

CPA Chen, Hui-Min

CPA Kuo, Nai-Hua

Securities and Futures Commission
Approval Document No.

Tai-Cai-Zheng-6 No. 0920123784

Financial Supervisory Commission Approval
Document No.

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

March 30, 2022

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 and its subsidiaries
Consolidated Balance Sheets
December 31, 2021 and 2020

Unit: NT\$'000

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 380,898	13	\$ 418,377	14
1110	Financial assets at fair value through profit and loss- current (Notes 4 and 7)	9,737	-	7,081	-
1136	Financial assets at amortized cost (Note 4, 8, 9, and 31)	143,442	5	120,000	4
1170	Net accounts receivable (Note 4 and 10)	140,261	5	86,109	3
1180	Receivables from related parties (Note 4, 10, and 30)	1,703	-	2,253	-
130X	Inventories (Note 4 and 11)	517,896	17	427,570	15
1410	Advance payments (Note 30)	31,489	1	25,096	1
1470	Other current assets (Note 30)	14,853	1	11,458	-
11XX	Total current assets	<u>1,240,279</u>	<u>42</u>	<u>1,097,944</u>	<u>37</u>
	Non-current assets				
1600	Property, Plant & Equipment (Note 4, 13, and 31)	823,260	28	853,452	29
1755	Right-of-use assets (Note 4 and 14)	696,444	23	751,655	26
1801	Net computer software (Note 4)	3,921	-	984	-
1805	Goodwill (Note 4 and 15)	158,913	5	158,913	6
1840	Deferred income tax assets (Note 4 and 25)	4,785	-	-	-
1915	Advance payment for equipment	6,159	-	6,783	-
1920	Refundable Deposits (Note 30)	54,792	2	59,907	2
15XX	Total non-current assets	<u>1,748,274</u>	<u>58</u>	<u>1,831,694</u>	<u>63</u>
1XXX	Total assets	<u>\$ 2,988,553</u>	<u>100</u>	<u>\$ 2,929,638</u>	<u>100</u>
	Liability and equity				
	Current liabilities				
2100	Short-term loans (Note 4 and 16)	\$ 9,820	-	\$ 10,780	-
2130	Contract liabilities - current (Note 23)	355,806	12	334,382	11
2150	Notes receivable (Note 4 and 18)	16,807	1	5,328	-
2170	Accounts payable (Notes 4 and 18)	94,386	3	59,056	2
2200	Other payables (Note 19)	117,567	4	118,664	4
2230	Income tax liabilities for the period (Note 4 and 25)	40,069	1	41,599	2
2280	Lease liabilities - current (notes 4, 14 and 30)	241,131	8	247,870	9
2300	Other current liabilities	1,865	-	3,142	-
2321	Corporate bonds due within one year or exercised repurchase rights (notes 4 and 17)	-	-	127,798	4
2322	Long-term loans due within one year (notes 4, 16 and 31)	35,549	1	47,549	2
21XX	Total current liabilities	<u>913,000</u>	<u>30</u>	<u>996,168</u>	<u>34</u>
	Non-current liabilities				
2540	Long-term loans (notes 4, 16 and 31)	190,718	7	213,645	7
2550	Liabilities provision - non-current (Notes 4 and 20)	6,825	-	7,170	-
2570	Deferred income tax liabilities (Note 4 and 25)	33,641	1	18,844	1
2580	Lease liabilities - non-current (notes 4, 14 and 30)	472,354	16	517,330	18
2645	Guarantee deposited	1,572	-	4,437	-
25XX	Total non-current liabilities	<u>705,110</u>	<u>24</u>	<u>761,426</u>	<u>26</u>
2XXX	Total liabilities	<u>1,618,110</u>	<u>54</u>	<u>1,757,594</u>	<u>60</u>
	Equity (Note 22)				
	Equity attributable to owners of the Company				
3110	Capital - common stock	501,930	17	467,311	16
3200	Capital surplus	292,923	10	198,612	7
	Retained earnings				
3310	Statutory surplus reserve	215,594	7	193,090	6
3320	Special capital reserve	3,139	-	1,248	-
3350	Undistributed earnings	364,824	12	312,315	11
3300	Total retained earnings	583,557	19	506,653	17
3400	Other equity	(10,871)	-	(3,139)	-
31XX	Total equity attributable to owners of the Company	<u>1,367,539</u>	<u>46</u>	<u>1,169,437</u>	<u>40</u>
36XX	Non-controlling interests (Note 22)	2,904	-	2,607	-
3XXX	Total equity	<u>1,370,443</u>	<u>46</u>	<u>1,172,044</u>	<u>40</u>
	Total liabilities and equity	<u>\$ 2,988,553</u>	<u>100</u>	<u>\$ 2,929,638</u>	<u>100</u>

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2021 and 2020

(Unit: NT\$'000, NT\$ for earnings per share)

Code		2021		2020	
		Amount	%	Amount	%
	Operating income (Note 23 and 30)				
4110	Sales revenue	\$ 2,387,271	100	\$ 2,132,775	100
4170	Sales return	(12,004)	(1)	(13,584)	(1)
4190	Sales discount	(120)	-	(47)	-
4100	Net sales revenue	2,375,147	99	2,119,144	99
4800	Other operating revenue	14,704	1	12,278	1
4000	Total Operating Revenue	<u>2,389,851</u>	<u>100</u>	<u>2,131,422</u>	<u>100</u>
	Operating costs (notes 9, 21, 24, and 30)				
5110	Cost of sales	(1,013,455)	(42)	(919,004)	(43)
5800	Other operating costs	(10,600)	(1)	(8,896)	1
5000	Total operating expenses	(<u>1,024,055</u>)	(<u>43</u>)	(<u>927,900</u>)	(<u>44</u>)
5900	Gross profit	<u>1,365,796</u>	<u>57</u>	<u>1,203,522</u>	<u>56</u>
	Operating expenses (Notes 19, 24 and 30)				
6100	Marketing expenses	(954,433)	(40)	(841,314)	(40)
6200	Administrative expenses	(119,485)	(5)	(109,413)	(5)
6450	Expected credit loss	(4,282)	-	-	-
6000	Total operating expenses	(<u>1,078,200</u>)	(<u>45</u>)	(<u>950,727</u>)	(<u>45</u>)
6900	Operating margin	<u>287,596</u>	<u>12</u>	<u>252,795</u>	<u>11</u>
	Non-operating income and expenses (Note 24 and 30)				
7100	Interest income	2,273	-	1,641	-
7010	Other income	59,723	2	65,475	3
7020	Other profit and loss	14,998	1	(2,949)	-
7050	Finance costs	(20,428)	(1)	(23,985)	(1)
7000	Total non-operating income and expenses	<u>56,566</u>	<u>2</u>	<u>40,182</u>	<u>2</u>
7900	Profit before tax of continuing operations	344,162	14	292,977	13

(Continued)

(Continued from previous page)

Code		2021		2020	
		Amount	%	Amount	%
7950	Income tax expenses (Note 4 and 25)	(\$ 73,660)	(3)	(\$ 67,123)	(3)
8200	Net income	<u>270,502</u>	<u>11</u>	<u>225,854</u>	<u>10</u>
	Other comprehensive profit or loss				
8360	Items that might be reclassified to profit or loss:				
8361	Translation differences in financial statements from overseas operations	(9,807)	-	(2,446)	-
8399	Income tax relating to items that may be reclassified (Notes 25)	<u>1,933</u>	<u>-</u>	<u>473</u>	<u>-</u>
8300	Other comprehensive income for the period	(<u>7,874</u>)	<u>-</u>	(<u>1,973</u>)	<u>-</u>
8500	Total comprehensive income	<u>\$ 262,628</u>	<u>11</u>	<u>\$ 223,881</u>	<u>10</u>
	Net income attributable to:				
8610	Owners of parent company	\$ 270,063	11	\$ 225,041	10
8620	Non-controlling interest	<u>439</u>	<u>-</u>	<u>813</u>	<u>-</u>
8600		<u>\$ 270,502</u>	<u>11</u>	<u>\$ 225,854</u>	<u>10</u>
	Total comprehensive income attributable to:				
8710	Owners of parent company	\$ 262,331	11	\$ 223,150	10
8720	Non-controlling interest	<u>297</u>	<u>-</u>	<u>731</u>	<u>-</u>
8700		<u>\$ 262,628</u>	<u>11</u>	<u>\$ 223,881</u>	<u>10</u>
	Earnings per share (Note 26)				
	From continuing business				
9710	Basic	<u>\$ 5.54</u>		<u>\$ 4.88</u>	
9810	Diluted	<u>\$ 5.36</u>		<u>\$ 4.55</u>	

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2021 and 2020

Unit: NT\$'000

		Equity attributable to owners of the Company								
Code		Capital		Retained earnings			Translation differences in financial statements from other equity of overseas operations	Non-controlling interest (Note 22)	Total equity	
		Number of shares	Amount	Capital surplus	Statutory surplus reserve	Special capital reserve				Undistributed earnings
A1	Balance as of January 1, 2020	46,133	\$ 461,332	\$ 181,931	\$ 182,733	\$ -	\$ 181,919	(\$ 1,248)	\$2,295	\$ 1,008,962
	Appropriation and distribution of 2019 earnings									
B1	Statutory surplus reserve	-	-	-	10,357	-	(10,357)	-	-	-
B3	Special capital reserve	-	-	-	-	1,248	(1,248)	-	-	-
B5	Cash dividend to shareholders of the Company	-	-	-	-	-	(83,040)	-	-	(83,040)
B5	Cash dividends distributed to shareholders of subsidiaries	-	-	-	-	-	-	-	(419)	(419)
D1	Net profit in 2020	-	-	-	-	-	225,041	-	813	225,854
D3	Other comprehensive income in 2020	-	-	-	-	-	-	(1,891)	(82)	(1,973)
D5	Total comprehensive income in 2020	-	-	-	-	-	225,041	(1,891)	731	223,881
I1	Conversion of convertible corporate bond	598	5,979	16,681	-	-	-	-	-	22,660
Z1	Balance as at December 31, 2020	46,731	467,311	198,612	193,090	1,248	312,315	(3,139)	2,607	1,172,044
	Appropriation and distribution of 2020 earnings									
B1	Statutory surplus reserve	-	-	-	22,504	-	(22,504)	-	-	-
B3	Special capital reserve	-	-	-	-	1,891	(1,891)	-	-	-
B5	Cash dividend to shareholders of the Company	-	-	-	-	-	(193,159)	-	-	(193,159)
D1	Net profit in 2021	-	-	-	-	-	270,063	-	439	270,502
D3	Other comprehensive income in 2021	-	-	-	-	-	-	(7,732)	(142)	(7,874)
D5	Total comprehensive income in 2021	-	-	-	-	-	270,063	(7,732)	297	262,628
I1	Conversion of convertible corporate bond	3,462	34,619	94,311	-	-	-	-	-	128,930
Z1	Balance as at December 31, 2021	<u>\$ 50,193</u>	<u>\$ 501,930</u>	<u>\$ 292,923</u>	<u>\$ 215,594</u>	<u>\$ 3,139</u>	<u>\$ 364,824</u>	<u>(\$ 10,871)</u>	<u>\$2,904</u>	<u>\$ 1,370,443</u>

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2021 and 2020

Unit: NT\$'000

Code		2021	2020
	Cash flows from operating activities		
A10000	Profit before tax for the year	\$ 344,162	\$ 292,977
A20010	Income and expense items		
A20100	Depreciation expenses	297,682	310,053
A20200	Amortization expenses	868	857
A20300	Expected credit loss	4,282	-
A20400	Net losses on financial liabilities at fair value through profit or (gain) loss	(2,686)	421
A20900	Finance costs	20,428	23,985
A21200	Interest income	(2,273)	(1,641)
A21300	Dividend income	(391)	(201)
A22500	Loss (gain) on disposal and scraping of property, plant and equipment	1,249	(18)
A29900	Gain on lease modification	(12,258)	(1,002)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	(58,353)	(13,979)
A31160	Receivables from related parties	550	(2,253)
A31200	Inventory	(90,326)	100,795
A31230	Prepayments	(6,393)	(16,282)
A31240	Total current assets	(3,270)	1,279
A32125	Contract liabilities	21,424	77,992
A32130	Notes payable	11,479	867
A32150	Accounts payable	35,330	12,685
A32180	Other Payables	(1,210)	22,266
A32230	Other current liabilities	(1,277)	(1,014)
A33000	Cash from operating activities	559,017	807,787
A33300	Interest paid	(4,198)	(4,820)
A33500	Income tax paid	(63,246)	(17,956)
AAAA	Net cash inflow from operating activities	<u>491,573</u>	<u>785,011</u>
	Cash flow from investment activities		
B00040	Acquisition of financial assets at amortized cost	(23,442)	(120,000)

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Code		2021	2020
B02700	Acquisition of property, plant and equipment	(20,647)	(115,107)
B02800	Disposal price of property, plant and equipment	6	930
B03800	Decrease in refundable deposits	4,622	3,136
B04500	Acquisition of intangible assets	(3,870)	(653)
B07100	Increase in prepayment for equipment	(2,472)	(4,739)
B07500	Interest received	1,229	591
B07600	Dividend received	<u>391</u>	<u>201</u>
BBBB	Net cash outflow from investing activities	(<u>44,183</u>)	(<u>235,641</u>)
	Cash flow from financing activities		
C00200	Decrease in short-term loans	(960)	(69,272)
C01600	Proceeds from long-term loan	130,000	62,713
C01700	Repayment of long-term loan	(164,927)	-
C03100	Decrease in guarantee deposits received	(2,865)	(631)
C04020	Repayment of lease principal	(243,483)	(261,426)
C04500	Cash dividend distributed	(193,159)	(83,040)
C05800	Cash dividend paid to non-controlling interests	<u>-</u>	(<u>419</u>)
CCCC	Net cash outflow from financing activities	(<u>475,394</u>)	(<u>352,075</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(<u>9,475</u>)	(<u>460</u>)
EEEE	Increase (reduce) in cash and cash equivalents, net	(37,479)	196,835
E00100	Cash and cash equivalents at beginning of the year	<u>418,377</u>	<u>221,542</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 380,898</u>	<u>\$ 418,377</u>

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

2021 Individual Financial Statements Independent Auditors' Report

Independent Auditors' Report

To Scan-D Corporation

Audit Opinion

We have audited the consolidated balance sheets of Scan-D Corporation as of December 31, 2021 and 2020, and the Individual Statements of Comprehensive Income, Individual Statements of Changes in Equity, Individual Statements of Cash Flows, and Notes to the Individual Financial Statement (including a summary of significant accounting policies) for January 1 to December 31, 2021 and 2020.

In our opinion, the above individual financial statements present fairly, in all material respects, the individual financial position of Scan-D Corporation as of December 31, 2021 and 2020, and its individual financial performance and its consolidated cash flows for January 1 to December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Auditors' Comments

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

Key audit matters

Key audit matters, in our professional judgment, were of most significance in our audit of the financial statements for 2021 of Scan-D Corporation. These matters were addressed in the context of our audit of the individual financial statements as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2021 individual financial statements of Scan-D Corporation are as followings:

Authenticity of the Sales Revenue Incurred

As Scan-D Corporation belongs to the furniture retail industry and sells products to non-specific consumers, There are significant audit risks inherent in revenue recognition based on the significance and audit criteria. Therefore the sales revenue incurred from the orders with prices higher than the average sales amount of orders is listed as one of the key audit matters. For accounting policies on revenue recognition, please refer to Note 4 (13) in the Parent Company Only Financial Statements.

We have conducted the following key auditing procedures for the sales revenue generated from the orders with prices higher than the average sales amount of the above orders:

1. Understand the design and implementation, as well as testing the effectiveness of the internal control system for the above sales revenue process.
2. Obtain details of the above sales revenue, conduct sample testing samples, check the shipment supporting documents and the collection of receivables to confirm the authenticity of the sales revenue incurred.
3. We found no significant sales return and discount during the later stage of the period.

Responsibilities of the Management and Governance Bodies on the Individual Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, the management is responsible for assessing the Scan-D Corporation's ability to continue as a going concern, disclosure of related matters and the adoption of the going concern basis of accounting, unless the management either intends to liquidate Scan-D Corporation or cease operation, or has no other practicable solutions other than liquidation or cease of operation.

The governing bodies (including the Audit Committee) of Scan-D Corporation are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial

statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (GAAS) will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could influence the economic decisions made by the users of the individual financial statements, they will be deemed as material.

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

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform appropriate countermeasures for the risks evaluated, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than that resulting from errors.
2. Obtain a necessary understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scan-D Corporation's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over Scan-D Corporation's ability to continue as a going concern. "If we are of the opinion that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual 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 no longer have the capacity to function as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Scan-D Corporation to express opinions on the individual financial statements. We

are responsible for the guidance, supervision, and implementation and forming audit opinions on Scan-D Corporation.

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

We also provide those charged with governance with a statement that the staffs required to be independent of the accounting firms under us have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, including related protection measures.

We have determined the key audit matters to be audited in the individual financial statements for 2021 of Scan-D Corporation based on the matters communicated with those charged with governance. We have clearly described the said matters in the auditor's report except for certain matters that are prohibited from public disclosure by laws or regulations or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to result in adverse effects that would be greater than the public benefits gained.

Deloitte & Touche

CPA Chen, Hui-Min

CPA Kuo, Nai-Hua

Securities and Futures Commission
Approval Document No.
Tai-Cai-Zheng-6 No. 0920123784

Financial Supervisory Commission Approval
Document No. Chin-Kuan-Cheng-Shen-Tzu No.
1070323246

March 30, 2022

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
Individual Balance Sheet
December 12, 2021 and 2020

Unit: NT\$'000

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 162,469	6	\$ 200,742	8
1110	Financial assets at fair value through profit and loss- current (Notes 4 and 7)	-	-	561	-
1136	Financial assets at amortized cost (Note 4, 8, 9, and 30)	138,000	5	120,000	4
1170	Net accounts receivable (Note 4 and 10)	120,837	5	74,209	3
1180	Receivables from related parties (Note 4, 10, and 29)	1,527	-	2,253	-
130X	Inventories (Notes 4 and 11)	397,306	15	361,301	14
1470	Other non-current assets	24,245	1	10,170	-
11XX	Total current assets	<u>844,384</u>	<u>32</u>	<u>769,236</u>	<u>29</u>
	Non-current assets				
1550	Investment using equity method (Notes 4 and 12)	377,423	14	325,906	12
1600	Property, Plant & Equipment (Note 4, 13, and 30)	798,659	30	823,451	32
1755	Right-of-use assets (Note 4 and 14)	582,310	22	641,217	25
1801	Net computer software (Note 4)	520	-	984	-
1840	Deferred income tax assets (Note 4 and 24)	4,785	-	-	-
1915	Advance payment for equipment	6,159	-	6,783	-
1920	Refundable Deposits (Note 29)	39,737	2	44,431	2
15XX	Total Non-Current Assets	<u>1,809,593</u>	<u>68</u>	<u>1,842,772</u>	<u>71</u>
1XXX	Total Asset	<u>\$ 2,653,977</u>	<u>100</u>	<u>\$ 2,612,008</u>	<u>100</u>
	Liability and equity				
	Current liabilities				
2130	Contract liabilities - current (Note 22)	\$ 236,191	9	\$ 234,600	9
2150	Notes receivable (Note 4 and 17)	16,807	-	5,328	-
2170	Accounts payable (Notes 4 and 17)	43,893	2	18,021	1
2200	Other payables (Note 18)	97,897	4	82,905	3
2230	Current income tax liabilities (Notes 4 and 24)	27,984	1	29,660	1
2280	Lease liabilities - current (notes 4, 14 and 29)	177,439	7	183,839	7
2300	Other current liabilities	1,865	-	3,142	-
2321	Corporate bonds due within one year or exercised repurchase rights (notes 4 and 16)	-	-	127,798	5
2322	Long-term loans due within one year (Note 4, 15 and 30)	35,549	1	47,549	2
21XX	Total current liabilities	<u>637,625</u>	<u>24</u>	<u>732,842</u>	<u>28</u>
	Non-current liabilities				
2540	Long-term loans (Note 4, 15 and 30)	190,718	7	213,645	8
2550	Liability provision - non-current (Note 4 and 19)	5,700	-	6,200	-
2570	Deferred income tax liabilities (Notes 4 and 24)	32,682	1	18,180	1
2580	Lease liabilities - non-current (notes 4, 14 and 29)	418,146	16	469,907	18
2645	Guarantee deposited	1,567	-	1,797	-
25XX	Total non-current liabilities	<u>648,813</u>	<u>24</u>	<u>709,729</u>	<u>27</u>
2XXX	Total liabilities	<u>1,286,438</u>	<u>48</u>	<u>1,442,571</u>	<u>55</u>
	Equity (Note 21)				
3110	Capital stock - common stock	501,930	19	467,311	18
3200	Capital surplus	292,923	11	198,612	8
	Retained earnings				
3310	Statutory surplus reserve	215,594	8	193,090	7
3320	Special capital reserve	3,139	-	1,248	-
3350	Undistributed earnings	364,824	14	312,315	12
3300	Total retained earnings	<u>583,557</u>	<u>22</u>	<u>506,653</u>	<u>19</u>
3400	Other equity	(10,871)	-	(3,139)	-
3XXX	Total equity	<u>1,367,539</u>	<u>52</u>	<u>1,169,437</u>	<u>45</u>
	Total liabilities and equity	<u>\$ 2,653,977</u>	<u>100</u>	<u>\$ 2,612,008</u>	<u>100</u>

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Comprehensive Income
January 1 to December 31, 2021 and 2020

(Unit: NT\$'000, NT\$ for earnings per share)

Code		2021		2020	
		Amount	%	Amount	%
	Operating income (Note 4 and 22)				
4110	Sales revenue	\$ 1,595,844	100	\$ 1,547,636	100
4170	Sales return	(12,004)	(1)	(13,584)	(1)
4190	Sales discount	(120)	-	(47)	-
4100	Net sales revenue	1,583,720	99	1,534,005	99
4800	Other operating revenue	14,704	1	12,278	1
4000	Total Operating Revenue	<u>1,598,424</u>	<u>100</u>	<u>1,546,283</u>	<u>100</u>
	Operating costs (notes 11, 23 and 29)				
5110	Cost of sales	(615,892)	(38)	(635,575)	(41)
5800	Other operating costs	(10,600)	(1)	(8,896)	(1)
5000	Total operating expenses	(626,492)	(39)	(644,471)	(42)
5900	Gross profit	<u>971,932</u>	<u>61</u>	<u>901,812</u>	<u>58</u>
	Operating expenses (Notes 23 and 29)				
6100	Selling expense	(641,791)	(40)	(621,912)	(40)
6200	Administrative expense	(82,626)	(5)	(80,014)	(5)
6000	Total operating expenses	(724,417)	(45)	(701,926)	(45)
6900	Operating profit	<u>247,515</u>	<u>16</u>	<u>199,886</u>	<u>13</u>
	Non-operating income and expenses (Note 23)				
7100	Interest income	1,868	-	1,043	-
7010	Other income	25,265	2	14,020	1
7020	Other gains and losses	9,272	-	2,713	-
7050	Finance costs	(15,087)	(1)	(16,939)	(1)
7070	Shares of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	<u>61,182</u>	<u>4</u>	<u>81,005</u>	<u>5</u>

(Continued)

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Code		2021		2020	
		Amount	%	Amount	%
7000	Total non-operating income and expenses	<u>82,500</u>	<u>5</u>	<u>81,842</u>	<u>5</u>
7900	Net income before tax	330,015	21	281,728	18
7950	Income tax expense (Note 4 and 24)	(<u>59,952</u>)	(<u>4</u>)	(<u>56,687</u>)	(<u>4</u>)
8200	Net profit for the year	<u>\$ 270,063</u>	<u>17</u>	<u>\$ 225,041</u>	<u>14</u>
	Other comprehensive gain or loss				
8360	Items that may be reclassified to profit or loss				
8361	Translation differences in financial statements from overseas operations (Note 21)	(9,665)	(1)	(2,364)	-
8399	Income tax relating to items that may be reclassified (Notes 21)	<u>1,933</u>	<u>-</u>	<u>473</u>	<u>-</u>
8300	Other comprehensive income for the year	(<u>7,732</u>)	(<u>1</u>)	(<u>1,891</u>)	<u>-</u>
8500	Total comprehensive income for the period	<u>\$ 262,331</u>	<u>16</u>	<u>\$ 223,150</u>	<u>14</u>
	Earnings per share (Note 25)				
	From continuing business				
9710	Basic	<u>\$ 5.54</u>		<u>\$ 4.88</u>	
9810	Diluted	<u>\$ 5.36</u>		<u>\$ 4.55</u>	

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Changes in Equity
January 1 to December 31, 2021 and 2020

Unit: NT\$'000

Code		Capital		Retained earnings			Other equity items	Total equity	
		Number of Shares	Amount	Capital surplus	Statutory surplus reserve	Special capital reserve	Undistributed earnings		Exchange differences on translation of financial statements of overseas operations
A1	Balance as at January 1, 2020	46,133	\$ 461,332	\$ 181,931	\$ 182,733	\$ -	\$ 181,919	(\$ 1,248)	\$ 1,006,667
	Appropriation and distribution of 2019 earnings								
B1	Statutory surplus reserve	-	-	-	10,357	-	(10,357)	-	-
B3	Special capital reserve	-	-	-	-	1,248	(1,248)	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(83,040)	-	(83,040)
D1	Net profit in 2020	-	-	-	-	-	225,041	-	225,041
D3	Other comprehensive income in 2020	-	-	-	-	-	-	(1,891)	(1,891)
D5	Total comprehensive income in 2020	-	-	-	-	-	225,041	(1,891)	223,150
II	Conversion of corporate bonds to common stock	598	5,979	16,681	-	-	-	-	22,660
Z1	Balance as at December 31, 2020	46,731	467,311	198,612	193,090	1,248	312,315	(3,139)	1,169,437
	Appropriation and distribution of 2020 earnings								
B1	Statutory surplus reserve	-	-	-	22,504	-	(22,504)	-	-
B3	Special capital reserve	-	-	-	-	1,891	(1,891)	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(193,159)	-	(193,159)
D1	Net profit in 2021	-	-	-	-	-	270,063	-	270,063
D3	Other comprehensive income in 2021	-	-	-	-	-	-	(7,732)	(7,732)
D5	Total comprehensive income in 2021	-	-	-	-	-	270,063	(7,732)	262,331
II	Conversion of corporate bonds to common stock	3,462	34,619	94,311	-	-	-	-	128,930
Z1	Balance as at December 31, 2021	50,193	\$ 501,930	\$ 292,923	\$ 215,594	\$ 3,139	\$ 364,824	(\$ 10,871)	\$ 1,367,539

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Cash Flows
January 1 to December 31, 2021 and 2020

Code	2021	Unit: NT\$'000 2020
Cash flows from operating activities		
A10000	\$ 330,015	\$ 281,728
A20010	Income and expense items	
A20100	206,756	232,897
A20200	664	857
A20400	Net profit from financial liabilities at fair value through profit or loss (gain)	
	931	(211)
A20900	15,087	16,939
A21200	(1,868)	(1,043)
A22400	Shares of profit of subsidiaries, associates and joint ventures accounted for using the equity method	
	(61,182)	(81,005)
A22500	Loss (gain) on disposal and scraping of property, plant and equipment	
	1,239	554
A29900	(10,089)	(1,002)
A30000	Changes in operating assets and liabilities	
A31150	(45,176)	(6,735)
A31160	(726)	(2,253)
A31200	(36,005)	109,274
A31240	(13,950)	(3,133)
A32125	1,591	41,976
A32130	11,479	867
A32150	25,872	(5,654)
A32180	14,807	6,459
A32230	(1,277)	(518)
A33000	438,168	589,997
A33300	(3,477)	(3,524)
A33500	(49,978)	(12,660)
AAAA	<u>384,713</u>	<u>573,813</u>

Cash flow from investment activities

(Continued)

(Continued from previous page)

Code		2021	2020
B00040	Acquisition of financial assets at amortized cost	(18,000)	(120,000)
B02700	Acquisition of property, plant and equipment	(5,826)	(106,017)
B03800	Decrease in refundable deposits	4,936	2,134
B04500	Acquisition of intangible assets	(200)	(653)
B07100	Increase in prepayment for equipment	(2,472)	(4,739)
B07500	Interest received	<u>1,083</u>	<u>206</u>
BBBB	Net cash outflow from investing activities	(<u>20,479</u>)	(<u>229,069</u>)
	Cash flow from financing activities		
C00200	Decrease in short-term loans	-	(60,000)
C01600	Borrowing of long-term loan	130,000	64,294
C01700	Repayment of long-term loan	(164,927)	-
C03000	Increase in guarantee deposits	-	470
C03100	Decrease in guarantee deposits received	(230)	-
C04020	Repayment of lease principal	(174,191)	(196,826)
C04500	Cash dividend distributed	(<u>193,159</u>)	(<u>83,040</u>)
CCCC	Net cash outflow from financing activities	(<u>402,507</u>)	(<u>275,102</u>)
EEEE	Increase(decrease)n cash and cash equivalents, net	(38,273)	69,642
E00100	Cash and cash equivalents at beginning of the year	<u>200,742</u>	<u>131,100</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 162,469</u>	<u>\$ 200,742</u>

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation

2021 Earnings Distribution

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated earnings at the beginning of the period	94,761,137	
Plus: Net profit after tax for the period	270,062,792	
Less: Statutory surplus reserve	(27,006,279)	
Less: Recognized in special earning reserve	(7,731,566)	
Earnings available for appropriation for the period		330,086,084
Appropriation:		
Shareholders dividends (NT\$4.4 per share in cash)	220,848,945	
Unappropriated earnings at the end of the period	109,237,139	
<p>Note: Based on the 50,192,942 ordinary shares issued on the previous day of Company's board meeting on March 29, 2022 Share-based The cash dividend is rounded down to NT\$1 based on the distribution ratio. The total amount of fraction cash dividends less than NT\$1 shall be recognized in other income of the Company.</p>		

Chairman: Lim, Pok-Chin

Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation

Articles of Association

Comparison table of the articles before and after the amendments

Amended articles	Articles after the amendment	Articles before the amendment	Description
Chapter 3 Article 11	<p>Shareholders' meetings can be classified into general shareholders meetings and extraordinary general meetings. General shareholders meetings are convened once per year, which shall be convened within six months after the close of each fiscal year. Extraordinary general meetings are convened when necessary.</p> <p>General shareholders meetings shall be convened 30 days in advance and extraordinary shareholders meeting shall be convened 15 days in advance by notifying shareholders in writing, which shall be shall be made by way of electronic with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, notification shall be made by announcements.</p> <p><u>The Company's shareholders meeting may be held by video conference or other means as announced by the central competent authority.</u></p>	<p>Shareholders' meetings can be classified into general shareholders meetings and extraordinary general meetings. General shareholders meetings are convened once per year, which shall be convened within six months after the close of each fiscal year. Extraordinary general meetings are convened when necessary.</p> <p>General shareholders meetings shall be convened 30 days in advance and extraordinary shareholders meeting shall be convened 15 days in advance by notifying shareholders in writing, which shall be shall be made by way of electronic with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, notification shall be made by announcements.</p>	In response to amendments made to the Company Act and the needs of business.
Chapter 6 Article 25	<p>If there is a surplus in the annual accounts of the Company, taxes shall be paid in accordance with the laws. After making up for the accumulated losses, 10% will be</p>	<p>If there is a surplus in the annual accounts of the Company, taxes shall be paid in accordance with the laws. After making up for the accumulated losses, 10% will be</p>	In response to amendments made to the Company Act and the needs of

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>provided in the statutory surplus reserve. However, the statutory surplus reserve shall not be provided once it has reached the Company's paid-in capital. If there is a balance, together with the unappropriated earnings, the Board of Directors shall compile an earning distribution resolution and submit to the shareholders meeting to resolve whether to distribute dividends to shareholders.</p> <p><u>The Company may authorize for all or part of dividends and bonus that shall be distributed or all or part of statutory surplus reserve and capital reserve as regulated under the Company Act to be distributed in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and a report of such distribution shall be submitted to the shareholders meeting. The aforementioned requirement for shareholders resolution is not applicable.</u></p> <p>The Company's dividend policy is based on current and future development plans, considers investment environment, capital requirements, and domestic and foreign competition, and takes into account factors such as shareholders' interests. No less than 20% of the distributable earnings is allocated for share dividends to shareholders each year. Dividends are distributed</p>	<p>provided in the statutory surplus reserve. However, the statutory surplus reserve shall not be provided once it has reached the Company's paid-in capital. If there is a balance, together with the unappropriated earnings, the Board of Directors shall compile an earning distribution resolution and submit to the shareholders meeting to resolve whether to distribute dividends to shareholders.</p> <p>The Company's dividend policy is based on current and future development plans, considers investment environment, capital requirements, and domestic and foreign competition, and takes into account factors such as shareholders' interests. No less than 20% of the distributable earnings is allocated for share dividends to shareholders each year. Dividends are distributed</p>	<p>business.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	primarily by way of cash or shares, of which cash dividends will be no less than 30% of the total dividend.	primarily by way of cash or shares, of which cash dividends will be no less than 30% of the total dividend.	
Chapter 7 Article 28	The Articles of Association was drawn up on October 3, 1995, (omitted) The 21st amendments were made on June 22, 2017. The 22nd amendments were made on June 17, 2020. <u>The 23rd amendments were made on June 23, 2022.</u>	The Articles of Association was drawn up on October 3, 1995, (omitted) The 21st amendments were made on June 22, 2017. The 22nd amendments were made on June 17, 2020.	Added the date of amendment.

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

Amended articles	Articles after the amendment	Articles before the amendment	Description
Chapter I <u>Article III-I</u>	<p>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:</p> <p>I ∙ It has not been determined by the Declaration of imprisonment for more than one year for violating securities trading laws, company law, banking Law, insurance law, financial holding company law, commercial accounting 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.</p> <p>II ∙ The parties to the transaction may not be the relationship or have a substantive relationship between the situation .</p> <p>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</p>	<p>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:</p> <p>I ∙ It has not been determined by the Declaration of imprisonment for more than one year for violating securities trading laws, company law, banking Law, insurance law, financial holding company law, commercial accounting 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.</p> <p>II ∙ The parties to the transaction may not be the relationship or have a substantive relationship between the situation .</p> <p>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</p>	<p>I ∙ To specify the procedure to be complied by and the responsibilities of external experts, expressly set forth that professional appraisers and their officers, certified public accountants, attorneys, and securities underwriters provide appraisal reports or opinions. In addition to operations that shall be handled when undertaking and carrying out cases, the self-governing regulations of their</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>material relationship with the situation .</p> <p>In issuing a valuation report or submission, the preceding officer , <u>It shall be handled in accordance with the self-governing regulations of the companies' respective trade associations and the items as follows:</u></p> <p>I 、 Before undertaking a case, we should carefully evaluate their professional ability, practical experience and independence.</p> <p>II 、 <u>When conducting a case,</u> 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 .</p> <p>III 、 <u>They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u></p> <p>IV 、 <u>They shall issue a statement attesting to the professional competence and independence of the</u></p>	<p>material relationship with the situation .</p> <p>In issuing a valuation report or submission, the preceding officer <u>shall proceed according to the following matters:</u></p> <p>I 、 Before undertaking a case, we should carefully evaluate their professional ability, practical experience and independence.</p> <p>II 、 <u>When checking cases,</u> 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 .</p> <p>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.</p> <p>IV 、 Declaration matters shall include such matters as the professionalism and independence of the person</p>	<p>respective trade associations shall also be complied with.</p> <p>II 、 In the view that the provision of appraisal reports by the abovementioned external experts or opinions for reasonableness do not mean the task of auditing financial reports, the term "audit" projects was amended to "carry out" projects.</p> <p>III 、 In addition, to fit the actual condition regarding the source of information and parameters used by experts when giving assessments, the terms to assess "comprehensi</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p><u>personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable, and that they have complied with applicable laws and regulations.</u></p>	<p>concerned, the information used in the assessment to be reasonable and correct and the following relevant laws and regulations.</p>	<p>veness, accuracy and reasonableness" were amended to "adequacy and reasonableness".</p>
<p>Chapter II Section II Article VII</p>	<p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 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>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: 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>In consideration of Article 3-1 under which the requirement for external experts to provide opinions in accordance with the self-governing regulations of their respective trade associations has been amended and added to also cover the procedure which shall be carried out by accounts when providing opinions, the phrase</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>II、Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>III、Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) 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>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 <u>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</u> 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>accountants shall comply with Statements of Auditing Standards has been deleted.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>IV 、 No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>IV 、 No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
<p>Chapter II Section II Article VIII</p>	<p>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. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>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. <u>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.</u> 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</p>	<p>The reasons for the amendment are the same as those described in Article 7.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
		Financial Supervisory Commission (FSC).	
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.	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; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u>	The reasons for the amendment are the same as those described in Article 7.
ChapterIV ArticleXVII	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	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	I、 Paragraphs 3 to 5 of the Article before the amendment were moved to be listed as Paragraphs 2 to 4 of the Article after the amendment. II、 To strengthen the management of related party transactions, Paragraph 5

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>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 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</p>	<p>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 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</p>	<p>was added to the amendment after taking reference on regulations of the major international capital markets:</p> <p>When the Company or the Company's subsidiaries which are not domestic public companies acquire or dispose of assets from related parties, and the amount of such transactions has reached more than 10% of the Company's total asset, the Company shall submit relevant information to the shareholders meeting for approval prior to</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>associated with the transaction.</p> <p>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:</p> <p>I ∙ To acquire or dispose of equipment for business use or the assets in which it is used.</p> <p>II ∙ The acquisition or disposition of real estate right to use assets for business.</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</p>	<p>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>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:</p> <p>I ∙ To acquire or dispose of equipment for business use or the assets in which it is used.</p> <p>II ∙ The acquisition or disposition of real estate right to use assets for business.</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</p>	<p>conducting such transactions to ensure rights and benefits of shareholders . However, the transactions between the Company and its subsidiaries, or between the subsidiaries are exempted from submission to shareholders meeting for approval.</p> <p>III ∙ Paragraph 2 of the Article before the amendment was moved to be listed as Paragraph 6 of the Article and in line with the added Paragraph 5, it was amended to include the</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>he has objections or reservations. 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 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><u>If the company or a public company or a subsidiary thereof that is not a domestic public company will have a transaction set out in paragraph 1 and the transaction amount will reach 10 percent or more of the public company's total assets, the public company shall submit the materials in all the subparagraphs of paragraph 1 to the shareholders meeting for approval before the transaction contract may be entered into and any payment made. However, this restriction does not apply to transactions between the public company and its parent company or subsidiaries or between its subsidiaries.</u></p> <p>The calculation of the transaction amounts <u>referred to in paragraph 1 and the preceding paragraph</u> shall be made 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</p>	<p>he has objections or reservations. 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 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>calculation of the transaction amount as transactions to be submitted to shareholders meeting for approval.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	of the current transaction. Items that have been approved by the <u>shareholders meeting</u> or board of directors and recognized by the supervisors need not be counted toward the transaction amount.		
Chapter VII Article XXXIII	<p>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:</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 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</p>	<p>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:</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 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</p>	<p>In consideration that the purchase or sales of domestic government bonds by public companies are exempted from filing for public announcement, the purchase or sales of foreign government bonds with issue ratings no lower than the sovereign rating in Taiwan also can be exempted from filing for public announcement.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>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:</p> <p>(I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>V、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>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:</p> <p>(I) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(II) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>V、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>	

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<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) <u>Trading of domestic government bonds or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>(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</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) <u>Trading of government bonds.</u></p> <p>(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</p>	

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>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</p>	<p>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</p>	

Amended articles	Articles after the amendment	Articles before the amendment	Description
	<p>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, 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.</p>	<p>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, 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.</p>	
<p>Chapter VIII Article XXXVIII</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>6th amendenment was made on Jun.20,2019.</p> <p><u>7th amendenment was made on Jun.23,2022.</u></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>6th amendenment was made on Jun.20,2019.</p>	<p>Added the date of amendment.</p>

Scan-D Corporation

Articles of Association

Chapter 1 General Provisions

- Article 1. The Company is incorporated in accordance with the regulations of the Company Act and registered under the name of SCAN-D CORPORATION.
- Article 2. The Company is engaged in the following business:
- 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 Other Retail.
 - XIV. F399990 Others Consolidated Retail.
 - 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. F399040 Retail without stores.
 - XXII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company is headquartered in Taoyuan City. If necessary, the Company may establish domestic or overseas subsidiaries after the resolution from the Board.
- Article 4. Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.
- Article 5. The Company 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. The Company may make guarantees to others for business needs.

Chapter 2 Shares

- Article 6. The total capital of the Company is NT\$800 million, divided into \$80 million shares with a nominal value of NT\$10 per share. The Board is authorized to issue outstanding shares in installments.
Of the abovementioned total capital, NT\$50 million is reserved for the exercise of stock options, such as employee stock options, corporate bonds with stock options, and special stocks with stock options, which may be issued in installments in accordance with the resolution of the Board of Directors.
- Article 7. The treasury shares bought back by the Company shall be transferred to the employees at a price lower than the actual average price for purchasing the shares. The resolution for transfer may be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders meeting who represent a majority of the issued shares of the Company.
- Article 8. If the Company intends to issue employee stock options at a stock price lower than the market price, the issuance is subject to the resolution of the general shareholders meeting in accordance with Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.
- Article 9. The shares of the Company shall be numbered and signed or sealed by the Company's representative as well as attested by the bank that should be the attestor according to the laws before issuance.
The shares of the Company shall be issued in non-printed certificates or printed together based on the total amount of shares issued each time, which, however, shall be registered by the centralized securities depository institution.
- Article 10. Shares shall not be transferred within 60 days prior to the convening of each general shareholders' meeting, or within 30 days prior to the convening date of a general shareholders' meeting, or within 5 days prior to the base day in which the Company decides to distribute dividends, bonus or other benefits.

Chapter 3 Shareholder Meetings

- Article 11. Shareholders' meetings can be classified into general shareholders meetings and extraordinary general meetings. General shareholders meetings are convened once per year, which shall be convened within six months after the close of each fiscal year. Extraordinary general meetings are convened when necessary.
General shareholders meetings shall be convened 30 days in advance and extraordinary shareholders meeting shall be convened 15 days in advance by notifying shareholders in writing, which shall be made by way of electronic with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, notification shall be made by announcements. Shareholders holding over 1% of the total number of issued shares may submit a written proposal to the Company for discussion at a general 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 12. When a shareholder is unable to attend a shareholders' meeting, the shareholder shall appoint a proxy to attend by to attend the meeting by issuing a power of attorney published by the Company and specified its authorized rights. In addition to the provisions of Article 177 of the Company Law, the measures for appointing proxy by shareholders shall be handled in accordance with the requirements of the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.
- Article 13. Shareholders are entitled to one vote for each share held, except those restricted or without voting rights in accordance with Article 179 of the Company Act.
- Article 14. The resolutions of the shareholders meeting shall be attended by shareholders representing more than half of the total number of issued shares, unless otherwise provided by the Company Law, with the consent of more than half of the voting rights of the shareholders present.
According to the regulations of the competent authority, if the Company adopts an electronic voting system, shareholders shall exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are deemed to be present in person, and their exercise method should include a notice of the shareholders meeting.
Resolutions resolved at a shareholders' meeting shall be recorded in the minutes and shall be signed and sealed by the chairman. The preparation and issuance of the minutes shall be handled in accordance with Article 183 of the Company Act.

Chapter 4: Directors and Audit Committee

- Article 15. The Company shall appoint 7-9 directors , candidates with sufficient capabilities are elected at the shareholders meeting. The tenure is three years and the directors are subject to re-election.
Among the aforementioned number of directors, the number of independent directors shall be no less than 3 and one-fifth of the number of directors. The election of independent directors and directors adopts a candidate nomination system. The shareholders shall elect the directors from the list of candidates. Independent directors and non-independent directors are elected concurrently, in which votes are calculated separately.
The professional qualifications of independent directors, restrictions on shareholding and part-time employment, determination of independence, nomination methods and other matters to be complied with shall be handled in accordance with the relevant regulations of the securities competent authority.

- Article 16. 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. The Vice-Chairman is elected depending on actual needs. The chairman represents the Company externally. When the chairman of the Board is on leave or unable to exercise its powers, the proxy shall handle in accordance with Article 208 of the Company Act.
- Article 17. The reason for convening the Board meeting shall be stated and notified to the directors 7 days in advance. In case of emergency, however, a board meeting may be convened at any time. The above notice in respect of convening a meeting shall be made in writing, by email, or facsimile.
- Article 18. When a director is unable to attend a shareholders' meeting, the director shall appoint other directors to attend the shareholders meeting by issuing a power of attorney and specified its authorized rights of the convening reason. However, the proxy shall be only appointed by one person.
- Article 19. The Board of Directors is authorized to determine the remuneration of the Company's directors based on their participation in and contribution to the operation of the Company, with reference to the domestic industry standard, regardless of the gain or loss of the Company's business.
A director holding a position as an employee shall be remunerated as regular staff.
The Company shall purchase liability insurance during the term of office of its directors and key staff in respect of their indemnity liabilities in the scope of performing duties in accordance with the laws.

Chapter 5 Managers

- Article 20. The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of all independent directors, the number of which shall be no less than three, one of whom shall be the convener, and at least one of whom shall possess accounting or financial expertise.
The composition, functions and powers, rules of procedure and other matters to be complied with by the Company's audit committee shall be handled in accordance with the relevant regulations of the securities competent authority.
- Article 21. The Company shall establish various functional committees, each of which shall establish rules and regulations for exercising their powers, and shall be implemented after being approved at the Board meeting.
- Article 22. The Company shall appoint numerous managers, whose appointment, discharge and remuneration shall be handled in accordance with Article 29 of the Company Act. The manager is authorized to manage affairs and apply signatures for the Company within the scope of the Articles of Association or the agreed scope of authority.

Chapter 6 Accounting

- Article 23. The fiscal year of the Company starts on the January 1 and ends on December 31 every year. At the end of each fiscal year, a final account shall be made. The Board of Directors shall compile the following statements in accordance with the Company Act and file to the general shareholders meeting for recognition:
- I. Business report.
 - II. Financial statements.
 - III. Resolutions related to earnings distribution or loss provision.
- Article 24. If the Company records a profit for the year, it shall allocate no less than 4% as employees' remuneration. The Board of Directors shall decide whether it shall be distributed by shares or cash. The distribution target includes employees of subsidiaries that meet certain conditions. The Board of Directors of the Company shall resolve to allocate no more than 2% for directors' and supervisors' remuneration in accordance with the aforementioned amount. Proposals for the distribution of employees' remuneration and directors' remuneration shall be reported at the shareholders meeting. In the case of accumulated loss, the Company shall reserve an indemnity amount, which shall then be allocated to employees' remuneration and directors' remuneration according to the aforementioned ratios.
- Article 25. If there is a surplus in the annual accounts of the Company, taxes shall be paid in accordance with the laws. After making up for the accumulated losses, 10% will be provided in the statutory surplus reserve. However, the statutory surplus reserve shall not be provided once it has reached the Company's paid-in capital. If there is a balance, together with the unappropriated earnings, the Board of Directors shall compile an earning distribution resolution and submit to the shareholders meeting to resolve whether to distribute dividends to shareholders. The Company's dividend policy is based on current and future development plans, considers investment environment, capital requirements, and domestic and foreign competition, and takes into account factors such as shareholders' interests. No less than 20% of the distributable earnings is allocated for share dividends to shareholders each year. Dividends are distributed primarily by way of cash or shares, of which cash dividends will be no less than 30% of the total dividend.

Chapter 7 Supplemental Provisions

- Article 26. The Company's organization regulations and operation rules shall be otherwise formulated.
- Article 27. All matters not specified in the Articles of Association shall be handled in accordance with the Company Act and other laws and regulations.
- Article 28. The Articles of Association was drawn up on October 3, 1995, (omitted)
The 21st amendments were made on June 22, 2017.
The 22st amendments were made on June 17, 2020.

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

- 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.
- II. Real property (including land, houses and buildings, investment property, construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right of use
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfers of shares in accordance with law.
- IX. Other major assets.

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

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial 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.
- III. Related party or subsidiary: As defined in the Regulations Governing the

Preparation of Financial Reports by Securities Issuers.

- IV. The Recent Financial Statement refers to the statement verified by CPA before asset acquirement and disposition.
- V. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment
- VI. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterparty 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.
- VII. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 3-1 、 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:

- I. It has not been determined by the Declaration of imprisonment for more than one year for violating securities trading laws, company law, banking Law, insurance law, financial holding company law, commercial accounting 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.
- II. The parties to the transaction may not be the relationship or have a substantive relationship between the situation .
- 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 .

In issuing a valuation report or submission, the preceding officer shall proceed according to the following matters:

- I. Before undertaking a case, we should carefully evaluate their professional ability, practical experience and independence.
- 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 .
- 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.

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.

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:
- I. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
 - II. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
 - III. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to 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.

IV. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

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 10 、 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 11 、 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 12 、 The company shall acquire or dispose the assets according to the related regulation of authorized amount and decision hierarchy of the Hierarchy Table. Total investment in real property and marketable securities by the company and each subsidiary for non-business use is limited as described below:

- I 、 Total investment in non-business use real property shall not exceed 20 percent of the Company's total paid-in capital.
- II 、 Total investment in securities shall not exceed 80 percent of the Company's total paid-in Capital.
- III 、 Individual investment in each security shall not exceed 50 percent of the Company's total paid-in capital.

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 :

- 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.
- II 、 The total amount of the investment securities shall not exceed 80% of the company's most recent net financial statements.
- III 、 The investment of individual securities shall not exceed 50% of the company's most recent net financial statements.

Article 13 、 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 14 、 The acquisition and disposition of real estate by the company shall be handled in accordance with the operating procedures stipulated in the company's non-active production, plant room and equipment cycle.

Article 15 、 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 16 、 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 10 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 17 、 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:

- 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 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 18 and Article 19.
- 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 33 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 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:

- I. To acquire or dispose of equipment for business use or the assets in which it is used.
- II. The acquisition or disposition of real estate right to use assets for business. 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. 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 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.

Article 18 、 The rationality of the related party trade concerning tight of use and real estate transaction 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 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:

- I 、 The related party acquired the real property and right of use 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.

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.

Article 19、When the results of the Company's appraisal conducted in accordance with the preceding Article 20 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.

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.

Article 20、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:

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; company with auditor committee shall apply the regulation of preceding paragraph .
- 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 or right of use 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.

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

Article 21 ∙ 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：

(I) 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.

(II) 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.

Articel 22、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 that the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.

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 23、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 24 、 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 22 and the first paragraph, details are published in the memorandum Book for reference.

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.

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.

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.

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

Article 25 、 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 26 ‧ 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 27 ‧ 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 28、 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 29、 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、 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 30、 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 31、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 32、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 27, 28.

Chapter 7 Information Disclosure

- Article 33、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 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 enterprise.
 - 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 34、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 35、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 33-1 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 of paid-in capital or of total assets.

Article 36、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%. 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.

Article 37 、 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.

Article 38 、 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.

5th amendenment was made on Jun.22,2017.

6th amendenment was made on Jun.20,2019.

Scan-D Corporation

Rules and Procedures of shareholders meeting (Before Amendment)

Article 1

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

Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Association, shall be as provided in these Rules.

Article 3 (Convention and Notice of shareholders meeting)

Unless otherwise required by regulations, the shareholders meeting of the Company is convened by the Board of Directors.

The Company shall compile the notice for shareholders meeting, the power of attorney, resolutions to be recognized, resolutions to be discussed and resolution regarding appointment or dismissal of directors in electronic form and deliver them to the Market Observation Post System 30 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. In addition, the Company shall compile the shareholders meeting Agenda and supplemental information of the meeting in electronic form and deliver them to the Market Observation Post System 21 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. The Company shall have prepared the shareholders meeting Agenda and supplemental information of the meeting materials 15 days prior to an extraordinary shareholders meeting for the reference of the shareholders at any time. The said materials are displayed at the Company and the professional shareholder services agent designated by the Company and shall be distributed at the shareholders meeting.

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

The election or dismissal of directors, change of the Articles of Association, capital reduction, application for suspension of public issuance, directors' competition license, surplus capital increase, public reserve capital increase, company dissolution, merger, spin-off, or provisions in Article 185-1 shall be

stated in the reasons for convening the shareholders meeting along with its main content and shall not be proposed as extempore motions. Its main content shall be placed on the website designated by the securities competent authority or company and its website shall be stated in the notice.

The reasons for convening the shareholders meeting has stated the full re-election of directors and the date of appointment. After the re-election of the shareholders meeting, the appointment date shall not be changed by extempore motions or other means in the same meeting.

Shareholders who hold more than one percent of the total number of issued shares shall submit a general shareholders meeting resolution to the Company, which is limited to one only. Resolutions beyond the limitation shall not be included. However, if the proposed shareholders' resolution is to urge the Company to promote public interest or fulfill its social responsibilities, the Board of Directors shall include it in the agenda. In addition, if the proposed shareholders' resolution fulfills the circumstances mentioned in paragraph 4, Article 172-1 of the Company Act, the Board of Directors shall exclude it from the agenda.

Prior to the book closure date before a general shareholders meeting is held, the Company shall announce the accepted resolutions proposed by shareholders, the written and electronic acceptance method, the acceptance location and acceptance period. The acceptance period shall be no less than 10 days.

The resolution proposed by shareholders is limited to 300 words. Resolutions exceeding 300 words shall not be included in the agenda. The shareholders proposing a resolution shall attend the general shareholders meeting in person or by proxy, and participate in the resolution discussion.

The Company shall, prior to the date of the shareholders meeting notice, inform the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in this Article. The Board of Directors shall explain the reasons for excluding any shareholder resolutions at the shareholders meeting for resolutions not included in the agenda.

Article 4

For each shareholders meeting, the shareholder shall appoint a proxy to attend by to attend the meeting by issuing a power of attorney published by the Company and specified its authorized rights.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the date of the shareholders meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, provided that this does not apply to a declaration made to cancel the previous proxy appointment.

After the delivery of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders meeting in

person or to exercise his/her/its voting power in writing or by electronic means, a proxy rescission notice shall be filed to the Company 2 days in writing prior to the date of the shareholders meeting as scheduled in the shareholders meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5 (Principles determining time and place of shareholders meeting)

The venue where a shareholder meeting is held shall be the premises of this Company or a location easy for shareholders to access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent directors shall be fully taken into consideration for the location and time of a shareholder meeting.

Article 6 (Preparation of attendance logs and other documents)

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

The aforementioned time during which shareholder attendance registrations shall be at least 30 minutes before the meeting begins. The registration counter shall be clearly indicated and sufficient amount of staff shall be assigned.

Shareholders and their proxies (collectively referred to as "shareholders") shall attend shareholders meetings with their meeting pass, sign-in cards, or other certificates that validate the attendance. The Company may not arbitrarily add requirements demanding for other documents beyond those showing eligibility presented by shareholders. Those seeking the power of attorney shall also bring along their identity document(s) for verification.

The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may present an attendance card in lieu of signing on the attendance book.

The Company shall provide attending shareholders with the meeting agenda, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be provided.

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

Article 7 (Chairman of the shareholders meeting and Participants)

When a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the Board. In case the chairperson of the Board is on leave or unable to exercise its powers as a chairman, the vice-chairman shall act in place of the chairperson. If the Board has not appointed a vice-chairman or the vice-chairman is also on leave or unable to exercise its powers as a vice-

chairman, the chairman shall appoint one of the managing directors to act as the chairman, or, if managing directors have not been appointed, one of the directors shall be appointed to act as the chairman. Where the chairman does not make such an appointment, the managing directors or the directors shall elect one person from among themselves to serve as the chairman.

When electing the chairman from managing directors or directors, those who have held the positions for six months or longer and understand the financial and business operations of the Company shall be prioritized. The same shall apply for a representative of a juristic person director that serves as the chairman.

The shareholders meeting convened by the Board of Directors shall be presided over by the Chairman in person and attended by more than half of the Board of Directors, and at least one member of each functional committee. The attendance shall be recorded in the shareholders meeting minutes.

If a shareholders meeting is convened by a party with the power to convene a meeting other than the Board of Directors, the convening party shall chair the meeting. When there are two or more convening parties, they shall elect one person from among themselves to serve as the chairman.

The Company may designate its attorneys, certified public accountants (CPA) or other relevant persons to attend the shareholder's meeting.

Article 8 (Documentation of shareholders meeting by audio or video)

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9

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

The chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of

issued shares, the chairman shall declare the meeting adjourned.

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

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

Article 10 (Resolution Discussion)

If the shareholders meeting is convened by the Board of Directors, its agenda shall be determined by the Board of Directors. Relevant motions (including extempore motions and amendments to original motions) shall be decided on a case-by-case basis. The meeting shall be conducted according to the scheduled agenda and shall not be changed without the resolution of the shareholders meeting.

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

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

The chairman shall provide sufficient explanation and discussion of resolutions or resolutions of amendments or extempore motions proposed by the shareholders. When the chairman is of the opinion that a resolution has been discussed sufficiently to put it to a vote, the chairman may announce the close of the discussion, call for a vote and arrange sufficient time for the vote.

Article 11 (Shareholders' speech)

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

A shareholder in attendance who has submitted a speaker's slip but does not

actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

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

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

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

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

Article 12 (Calculation of voting shares and recusal system)

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

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

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

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

Article 13

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

When the Company convenes a shareholder meeting, voting rights shall be

exercised in writing or by electronic means. When voting rights are exercised in writing or by electronic means, the method shall be set out in the shareholders meeting notice. A shareholder exercising voting rights in writing or by electronic means will be deemed to have attended the meeting in person. However, to waive his/her rights with respect to the extempore motions and revisions to the original resolutions of that meeting, the Company shall avoid submission of extempore motions and revision to the original proposals.

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

After a shareholder has exercised voting rights in writing or by electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made, by the same means by which the voting rights were exercised 2 days before the date of the shareholders meeting. For overdue retraction, the voting rights already exercised in writing or by electronic means shall prevail. When a shareholder has exercised voting rights both in writing or by electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal requires the majority voting rights of the attending shareholders. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, including the numbers of votes for and against and the number of absent votes, shall be submitted into the Market Observation Post System.

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

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

Vote counting for voting on motions or elections shall be conducted at an open space in the shareholder meeting venue and the results, including weights, shall be announced immediately after counting and recorded.

Article 14 (Election)

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules of the Company. The voting results shall be announced immediately, including the names of those elected as directors and the numbers of votes they received.

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

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman and a copy shall be distributed to each shareholder within 20 days of the meeting. The preparation and distribution of the meeting minutes shall be made by electronic means.

The distribution of the meeting minutes described in the preceding paragraph shall be announced by submitting to the Market Observation Post System.

The proceedings shall be recorded in accordance with the year, month, day, place, name of the chairman, method of resolution, key points of the meeting, and voting results (including statistical weights). When there is an election of directors, the votes of each candidate shall be disclosed. During the existence of the Company, it should be kept permanently.

Article 16 (Public Announcement)

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If the shareholders meeting resolutions involve major information required by regulations or competent authority, the Company shall announce the content on the Market Observation Post System within the prescribed time limit.

Article 17 (Maintaining order at the meeting place)

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

The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at

the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

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

Article 18 (Recess and resumption of a shareholders meeting)

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

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

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

Article 19 (Supplementary Provisions)

The rules, along with any amendments, shall be implemented after it is resolved by shareholders meetings.

The rules were made on March 20, 2000. (Omitted).

1st amendment was made on May 10, 2002.

2nd amendment was made on June 6, 2008.

3rd amendment was made on June 28, 2012.

4th amendment was made on June 13, 2013.

5th amendment was made on June 20, 2018.

6th amendment was made on June 17, 2020.

Scan-D Corporation

Shareholding of Directors

(Information as of the closing date of share transfer on April 25, 2022)

Title	Name	Representative	Number of Shares Held	Share Holding %
Chairman	NOBLE LINK MANAGEMENT LTD.	Lim, Pok-Chin	15,049,125	29.98%
Director	Neo, Khay-Pin		0	0.00%
Director	Lim, Jie-Ren		0	0.00%
Director	Wang, I-Yao		233,118	0.46%
Independent Director	Lin, Hui-Ping		0	0.00%
Independent Director	Wang, Chia-Cheng		83,525	0.17%
Independent Director	Hung, Da-Feng		0	0.00%
	Total		15,365,768	30.61%

1. The current paid-in capital of the Company is NT\$501,929,420, and the number of issued shares is 50,192,942 shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum shareholding of all directors and supervisors is 4,015,435 shares. (Note)
3. As of the closing date of the share transfer at the general shareholders meeting in 2022, shareholding if individual and all directors recorded in the shareholder's register is the same as described above.

Note: According to Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, if two or more independent directors are to be elected, the shareholding of all directors and supervisors other than the independent directors calculated at the rates set forth in the preceding paragraph shall be decreased to 80%.

Scan-D Corporation

The effect of dividend distributions on the Company's operating performance, earnings per share, and return on equity

Unit: Except for earnings per share expressed in dollar, the remainings are NT\$ and %

Item	Year	2022 (estimate)
Paid-in capital at the beginning of the period		NT\$501,929,420
Distribution of dividends for the year (Note 1)	Cash dividends per share (dollar)	4.4 dollar
	Surplus to capital increase share dividend per share	0 share
	Capital increase by capital reserve to share dividend per share	0 share
Change in operating performance	Operating Profit	Not applicable, as the Company did not disclose financial forecast information in 2022.
	Increase and decrease ratio of net operating profit compared to the same period of last year	
	Net profit before tax	
	Increase and decrease ratio of net profit compared to the same period of last year	
	Earnings per share	
	Increase and decrease ratio of earnings per share compared to the same period of last year	
Pro forma earnings per share and P/E ratio	If capital increase by earnings is replaced by cash dividend distribution	Pro forma earnings per share
		Pro forma average annual rate of return
	If capital reserve is not used for capital increase	Pro forma earnings per share
		Pro forma average annual rate of return
	If capital increase by capital reserve has not yet been undertaken and capital increase by earnings is replaced by cash dividend distribution	Pro forma earnings per share
		Pro forma average annual rate of return

Note 1: Pending resolution at the 2022 general shareholders meeting.



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