



# Unifosa Corp.

## 2022 Annual Shareholders' Meeting Meeting Handbook

**MEETING TIME : Jun 10, 2022**

**PLACE : No. 16, Sec. 4, Zhongshan N. Rd., Shilin Dist., Taipei City 111054, Taiwan (R.O.C.)  
(Room 332, 3rd Floor, Teaching Area, Chientan Youth Activity Center)**

**Notice to readers**

*This English-version meeting handbook is translation of the Chinese version. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

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# **Unifosa Corp.**

## **Year 2022 Agenda of Annual Meeting of Shareholders**

**Time** : 09:00 a.m. on (Friday), Jun 10, 2022

**Place** : No. 16, Sec. 4, Zhongshan N. Rd., Shilin Dist., Taipei City 111054 , Taiwan  
(R.O.C.)

(Room 332, 3rd Floor, Teaching Area, Chientan Youth Activity Center)

**Meeting method** : Entity shareholders meeting

### **Meeting Agenda :**

I. Call the Meeting to Order (Report the total number of shares attending)

II. Chairperson Remarks

III. Report Items

1. 2021 Business Report
2. Audit Committee's Review Report on the 2021

IV. Ratification Items

1. Adoption of the 2021 Business Report and Financial Statements
2. Adoption of the Proposal for 2021 Deficit Compensation

V. Discussion Items

1. Amendment to the Articles of Incorporation
2. Amendment to the Procedure for the Acquisition and Disposal of Assets

VI. Election Matters

1. Proposal for comprehensive re-election of directors of the company

VII. Other Matters

1. Proposal of Release the Prohibition on New Directors from Participation in Competitive Business

VIII. Questions and Motions

IX. Adjournment

## ◆ Report Items

### 《Report No. 1》

2021 Business Report.

#### **Explanation :**

The 2021 Business Report is attached as pp. [7-10], Annex 1.

### 《Report No. 2》

Audit Committee's Review Report on the 2021.

#### **Explanation :**

The 2021 Audit Committee's Review Report is attached as pp. [11], Annex 2.

## ◆ Ratification Items

### 《Ratification No. 1》

Adoption of the 2021 Business Report and Financial Statements. (Proposed by the Board)

#### **Explanation :**

1. The company's 2021 business report, financial report (including consolidated and individual financial reports), and deficit compensation statement were approved by the 20th meeting of the 10th session of the company's board of directors. The financial report (including consolidated and individual financial reports) The audit was completed by the CPA Lin, Chun-Lhih and Lin, Chin-Feng Crowe Horwath. The aforesaid form has been made and sent to the audit committee of the company for review, and review report is issued.
2. The 2021 Business Report is attached as pp. [7-10], Annex 1.
3. The financial report and deficit compensation statement is attached as pp. [13-31], Annex 3 and Annex 4.

#### **Ratification :**

### 《Ratification No. 2》

Adoption of the Proposal for 2021 Deficit Compensation. (Proposed by the Board)

#### **Explanation :**

1. The company's loss to be made up at the beginning of 2021 is NT\$227,170,798 (the same below), and after adding the defined benefit plan and re-measured to NT\$134,972, and after the net loss after tax in 2021 is NT\$71,184,420, the loss to be recovered at the end of the period is NT\$298,490,190.
2. 2021 Deficit Compensation Statement is attached as pp. [31], Annex 4.

#### **Ratification :**

## ◆ Discussion Items

### 《Discussion No. 1》

Amendment to the Articles of Incorporation. (Proposed by the Board)

#### **Explanation :**

1. In order to comply with the amendments to the Company Law and related laws and regulations, the Company's "Articles of Incorporation" is proposed to be revised.
2. " Articles of Incorporation " before and after the revision of the provisions of the comparison table is attached as pp. [32-35], Annex 5.

#### **Ratification :**

### 《Discussion No. 2》

Amendment to the Procedure for the Acquisition and Disposal of Assets. (Proposed by the Board)

1. Pursuant to the Financial Supervisory Commission's January 28, 2022, the letter No. 1110380465 letter, some provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" are amended, and the company's "Procedure for the Acquisition and Disposal of Assets" are proposed to be revised.
2. " Procedure for the Acquisition and Disposal of Assets " before and after the revision of the provisions of the comparison table is attached as pp. [36-56], Annex 6.

#### **Ratification :**

## ◆ Election Matters

### 《Election No. 1》

Proposal for comprehensive re-election of directors of the company. (Proposed by the Board)

#### **Explanation :**

1. The tenth term of directors of the Company was elected on June 13, 2019 for a term of three years and will expire on June 12, 2022, In accordance with the provisions of the Company Law and the Articles of Incorporation, the company will be proposed for full re-election at the company's 2022 general meeting of shareholders .
2. In accordance with Article 17 of the Company's Articles of Incorporation, the Company shall have seven to nine directors. Seven directors (including three independent directors) are proposed to be elected in the 11th re-election of directors under the candidate nomination system, and all independent directors will form an audit committee to perform the duties and responsibilities of the supervisors as stipulated in the Company Law, the Securities and Exchange Act and other relevant laws and regulations.
3. The eleventh director will be appointed for a term of three years from June 10, 2022 to June 9, 2025, and the tenth director will be terminated at the same time as the eleventh director assumes office.
4. List of candidates for directors (including independent directors) of the company is attached as pp. [57-60], Annex 7.

#### **Voting Results :**

## ◆ Other Matters

### 《Other No. 1》

Proposal of Release the Prohibition on New Directors from Participation in Competitive Business. (Proposed by the Board)

#### **Explanation :**

1. In accordance with Article 209 of the Company Act, "A director who performs an act for himself/herself or for another person that falls within the scope of the company's business shall explain the material content of his/her act to the shareholders' meeting and obtain their approval.
2. The Company's newly appointed directors (including corporate directors and their representatives), without prejudice to the interests of the Company, intend to seek the approval of the shareholders' meeting to lift the prohibition on directors' competition in accordance with the law with respect to the material content of their competition.
3. The new director of the company lifts the non-compete content is attached as pp. [61-63], Annex 8.

#### **Ratification :**

## ◆ Questions and Motions

## ◆ Adjournment



## ● Annex 1

# Unifosa Corp. Business Report

### Operating Performance in 2021

#### 1. Business plan implementation results

Unit: NT\$ Thousand

Item	2021	2020	increase ( Reduce )	increase ( Reduce ) %
Operating revenue	328,990	438,846	( 109,856 )	( 25.03 ) %
Gross profit from operations	61,273	51,167	10,106	19.75 %
Net operating Income	( 69,144 )	( 67,045 )	( 2,099 )	( 3.13 ) %
Non-operating income and expenses	( 7,606 )	1,742	( 9,348 )	( 536.62 ) %
Profit before income tax	( 76,750 )	( 65,303 )	( 11,447 )	( 17.53 ) %
Net Profit	( 90,004 )	( 76,692 )	( 13,312 )	( 17.36 ) %
Earnings per share (NT\$)	( 0.78 )	( 0.69 )	—	—

#### 2. Budget implementation

In 2021, the memory industry will be affected by the three variables of supply chain length, logistics congestion and changes in the epidemic, After two quarters of DRAM price increase since the first quarter, the impact of short and long term material correction in the supply chain became obvious in the third quarter, and the phenomenon of over-ordering caused by long and short term material began to correct, In particular, the length of the supply chain is expected to suppress the momentum of pulling goods, and the DRAM contract price has turned to a downward trend since peaking in the third quarter. Since then, the rising cycle since 2020 has been terminated. In mid-August, the noise in the memory market expanded, and the mainstream DRAM spot price The sharp downtrend is more obvious. The company's memory business group originally expected to sell 6,203 memory modules in 2021, but the actual sales volume was 3,265, with a fulfillment rate of 52.64%, The original estimated sales volume of integrated circuits was 3,722,727, but the actual sales volume was 545,474, with a success rate of 14.65%, which was not ideal; In terms of storage business group, under the competitive environment of the global market, the sales volume of disk array products in 2021 is expected to be 581 units, and the sales volume of system integration products will be 3,478 units. The actual sales volume will be 455 units and 4,163 units respectively. The rates are 78.31% and 119.70% respectively. The achievement conditions are still comparable, but the overall achievement changes are the result of the impact of the epidemic and changes in the industrial environment.

#### 3. Profitability analysis

Unit: NT\$ Thousand ; %

Item	2021	2020
Operating revenue	328,990	438,846
Non-operating income and expenses	( 7,606 )	1,742
Return on asset (%)	-11.00	-9.06
Return on equity (%)	-12.74	-10.18

Paid-in capital (%)	Operating Income	-7.55	-7.32
	Pre-tax Profit	-8.38	-7.13
Profit ratio (%)		-27.36	-17.48
Earnings per share (NT\$)		-0.78	-0.69

#### 4. Research and development status

In terms of memory modules, JEDEC released the specifications of DDR5 Registered modules in January 2022. As for the memory modules used in desktop computers and notebook computers, it is believed that they should be released one after another in 2022. The company will still focus on DDR4 products in 2021. According to JEDEC's plan, DDR5 will provide twice the bandwidth and density than DDR4, and provide higher channel efficiency, these enhancements and applications for server and desktop platforms will provide a more user-friendly interface, will Enable high performance and improved power management in a variety of applications. The company's new product development in 2022 will still depend on the launch schedule of DDR5 memory.

In the storage-related product section, the company's 2021 NAS/iSCSI network storage has begun to introduce a new generation of 4U rack-mount 24bay server chassis, except for NAS hosts that can be installed with mid-range Intel® Coffee Lake Xeon® E2100/2200 series processors. The board can also be installed with full-size EATX dual-processor socket high-end Intel® Xeon®, scalable processor Cascade & Skylake Dual CPU platform series NAS motherboards to meet the application of high-end network storage servers. In 2022, the company will focus on the new-generation integrated storage device interface NVMe solid state drive or SAS/SATA/NVMe Tri-mode RAID storage device interface to provide higher storage data transfer speed and PCIe Gen 4/5 new A generation of motherboard bus high-speed storage interface storage and NAS and other related products development.

### **Business Plan for 2022**

#### 1. Operating policy

##### (1) Perfect financial structure and strengthen management constitution

In view of the importance of strengthening the ability to respond to industrial changes and risks, the company will continue to actively improve the flexibility of working capital in the future, continue to work towards a low-debt business model, and go deep into the detailed aspects of operation, through careful and thorough review and coordination, to formulate A complete and appropriate financial quality plan enables the company to operate steadily under the conditions of a sound financial structure and sufficient working capital, thereby further strengthening the company's operating physique and industrial competitiveness, in order to meet the growth and robustness of the industry after adjustment. Create good results for future operations and profitability.

##### (2) Committed to operational transformation to cope with industry risks and business climate changes

Under the violent fluctuations of the DRAM industry and the global economy, the company continues to adhere to the business philosophy of "stable operation" and the business of "focusing on core values", in order to respond to the competitive trend of the industry's future development, and to strengthen operating efficiency through resource integration , And expand business areas to expand the scale of operations,

thereby achieving the purpose of stable operations, improving operational performance and industrial competitiveness. The company will continue to promote operational transformation in the future, and effectively diversify the DRAM industry's business fluctuations through diversified industrial operations Risks, in addition to developing new products to create business opportunities, and through equity investment in industrial targets with development potential, to enter new technical fields and industrial development, and to effectively enhance the company's innovation capabilities and expand business development areas. In order to achieve the purpose of enhancing the company's operating performance.

(3) Adopt cost-saving solutions to actively improve operational performance

Under the conservative atmosphere that the demand for traditional PC/NB memory is still shrinking in the face of industry fluctuations, before this unfavorable situation has not improved, the company is not only committed to operating transformation to expand the company's operations, but also consider adopting various cost-saving solutions. , in order to actively improve the company's operating performance, and hope to inject vitality and power into the company's operating performance growth under the double-effect efforts of increasing revenue and reducing expenditure.

2. Expected sales volume and its basis

Looking forward to 2022, it is estimated that in the memory business group, the sales volume of memory modules will be 954, and the sales volume of integrated circuits will be 1,638,529; in the storage business group, the expected sales volume of disk array products will be 447 units, and 4,092 units of system-integrated products.

3. Important marketing policies

- (1) Strengthen the adjustment of process integration, improve the efficiency and flexibility of production management, and pursue maximal production and sales benefits.
- (2) Actively develop product transformation and diversification, expand the breadth of new consumer products, expand market opportunities, and achieve the most effective business model.

**Development strategy of the company in the future**

1. Actively carry out new product planning and adopt diversified and balanced development as a strategy, commit to diversified and flexible operation planning, and create a business model that emphasizes both stable growth and profitability in order to improve operational performance and industrial competitiveness.
2. Based on the R&D strategy of software and hardware integration, actively adopting core storage technologies that meet the needs of enterprises and the market, standing on mainstream industry trends, developing and integrating niche products with competitive advantages and future applications, and striving to provide customized products with various technical applications The software/hardware equipment for cloud storage is optimized, and the industrial application-oriented storage solution cuts into potential companies and markets that require a large number of storage applications.
3. Continuously improve the manufacturing process and quality system, focus on the pursuit of quality and efficiency, and strengthen the coordination of production and sales, and the integration of benefits, in order to maximize the efficiency of available production capacity.

4. Through investment and strategic alliances, we seek for industries with forward-looking and development potential, so as to quickly and effectively enter the market and grasp the opportunity of creating a win-win situation.
5. In response to potential business opportunities arising from changes in market price trends, we will enhance our dominant position in the process of market adjustments, strengthen the company's core value differences, so as to consolidate close customer relationships and expand opportunities for strategic partnership development.

Chairman : Chen, Ching-jong

General Manager : Chen, Ching-jong

Accounting Department Manager : Chen, Hsiu yu

## ● Annex 2

### **Audit Committee' s Review Report**

It is hereby approved that the board of directors sends the company's 2021 annual business report, financial report (including consolidated and individual financial reports), and loss appropriation proposals and other forms, of which the financial report has been audited by CPA Lin Chun Lhih and Lin Chin Feng of Crowe Horwath United Certified Public Accountants. completed and an audit report was issued. All forms submitted by the board of directors shall, upon examination by the Audit Committee, be found not to be inconsistent, and should be submitted for review in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Unifosa Corp.

Chairman of the Audit Committee : Chen, Chih-Ling

March 18, 2022

## ● Annex 3

### Accountant's audit report

#### **Audit opinion**

Consolidated balance sheets of Unifosa Corp. and its subsidiaries as of December 31, 2021 and 2020, and consolidated consolidated income statement, consolidated statement of changes in equity, The consolidated cash flow statement and the notes to the consolidated financial statements (including the summary of significant accounting policies) have been checked and completed by the accountant.

In the opinion of this accountant, the above consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretation and Interpretation Announcements approved and issued by the Financial Supervisory Commission. A fair representation of the consolidated financial position of Unifosa Corp. and its subsidiaries as of December 31, 2021 and 2020, as well as their consolidated financial performance and consolidated cash flows from January 1 to December 31, 2021 and 2020.

#### **Basis for audit opinion**

The accountant performs audit work in accordance with the rules for auditing and certification of financial statements by accountants and generally accepted auditing standards. The accountant's responsibilities under these standards are further described in the Accountants' Responsibilities for audit of the consolidated financial statements. The independent personnel of the accounting firm affiliated to the accounting firm have maintained detachment and independence from Unifosa Corp. and its subsidiaries in accordance with the code of professional ethics for accountants, and fulfilled other responsibilities of the code. The Accountant believes that sufficient and appropriate audit evidence has been obtained to form a basis for expressing an audit opinion.

#### **Key Audit Matter**

The key audit matters refer to the most important matters in the audit of the 2021 consolidated financial statements of Unifosa Corp. and its subsidiaries according to the professional judgment of the accountant. These matters have been addressed in the process of auditing the consolidated financial statements as a whole and forming an audit opinion, and the accountant does not express an independent opinion on these matters.

The key audit items for the 2021 consolidated financial statements of Unifosa Corp. and its subsidiaries are described as follows :

##### Recognition of sales revenue

There is a risk of fraud in the default revenue recognition of the Taiwan Auditing Standards Bulletin. There may be pressure on management to achieve expected financial goals and there is a higher risk of congenital fraud in revenue recognition. The sales revenue of Unifosa Corp. and its subsidiaries' top ten sales customers in 2021 accounted for 49.01% of the annual net operating revenue, which has a significant impact on the consolidated financial statements, so it is listed as a key audit matter.

The main audit procedures performed by the accountant are as follows :

1. Understand the internal control system related to sales transactions, and evaluate the effectiveness of its design and implementation.

2. Understand the client's background and obtain basic information to assess whether the transaction amount and credit line are reasonable with the size of the company.
3. Sampling customer orders and shipping documents, and at the same time, check and verify with external shipping documents, payment reconciliation records and payment vouchers and other related materials to evaluate whether they meet the requirements for revenue recognition.

#### Intangible assets (including goodwill) impairment assessment

Unifosa Corp. and its subsidiaries obtained control of Morelink Technology Corporation. in 2020. As of December 31, 2021, the amount of goodwill and other intangible assets recognized by Unifosa Corp. and its subsidiaries due to mergers and acquisitions was NT\$19,800,000 and NT\$7,701,000, respectively.

When evaluating whether these assets are impaired, the management must comprehensively consider the assessment of the recoverable amount allocated to the cash-generating unit to which the assets belong. The important assumptions and values involve the subjective judgment of the management and may be affected by the future industry and economic prosperity. There is a high degree of uncertainty, so the impairment assessment of intangible assets (including goodwill) is listed as a key check item. For details of investments using the equity method, please refer to Notes 4, 5 and 6(6) to the consolidated financial statements.

The main audit procedures performed by the accountant are as follows :

1. Understand and evaluate management's procedures for identifying signs of impairment of such assets.
2. Assess the professional competence, competence and objectivity of external evaluation experts entrusted by the management. Discuss with management the scope of work of evaluators and review their appointment conditions to confirm that there are no matters that affect their objectivity or limit their scope of work, and that the methods used by evaluators are in line with international accounting standards and industry norms.
3. Understand the process and basis for management's estimation of the financial data projected by the cash-generating unit to which these assets belong from future operating prospects.

#### Impairment assessment of property, plant and equipment and right-of-use assets

The book value of property, plant and equipment and right-of-use assets of Unifosa Corp. and its subsidiaries as at December 31, 2021 was NT\$299,577,000, accounting for 40% of the total consolidated assets. According to the assessment results of the annual report, Unifosa Corp. and its subsidiaries showed a loss in the net operating profit, so there is doubt of impairment.

Management should assess whether the recoverable amount of the asset is lower than the book value in accordance with IAS 36, Impairment of Assets. Since the impairment assessment involves the subjective judgment and uncertainty of the management, which has a significant impact on the measurement of the recoverable amount, the impairment assessment of property, plant and equipment and right-of-use assets is listed as one of the key audit items. Please refer to Notes 4, 5, 6(7) and 6(8) to the consolidated financial statements.

The main audit procedures for the above statement by the accountant are as follows :

1. Understand management's procedures for identifying signs of impairment of property, plant and equipment and right-of-use assets.
2. Review information and relevant supporting evidence of the recoverable amounts of property, plant and equipment and right-of-use assets used by management.
3. Obtain the appraisal report of the asset value appraisal, understand and evaluate the

suitability and objectivity of the external expert, as well as the methodological assumptions used in the appraisal report, so as to confirm that the appropriate method is adopted.

4. Physically inspect real estate, plant and equipment, observe the use status of relevant assets, and assess whether they are damaged, idle or outdated.

#### Assessment of inventory allowance for impairment and sluggish losses

The business content of Unifosa Corp. and its subsidiaries are divided into memory business group, storage business group and wireless communication business group, etc., and their inventories are mainly integrated circuits, memory modules, disk arrays and wireless communication machinery and equipment. etc., due to fluctuations in market demand and rapid technological changes, which may affect the management's estimation of net realizable value and the judgment of sluggish inventories, they are listed as key check items. Please refer to Notes 4, 5 and 6(5) to the consolidated financial statements for the assessment of inventory allowance for impairment and sluggish losses.

The main audit procedures of the accountant are as follows :

1. Evaluate whether the policy adopted by management for the provision of allowances for depreciation of inventories and sluggish losses is reasonable and appropriate.
2. Obtain a breakdown of inventory depreciation prepared by management itself, verify through sampling that it is measured at the lower of cost and net realizable value, and evaluate the rationality of the net realizable value basis used.
3. Obtain the inventory age list, and evaluate the inventory status through sample selection, testing of relevant vouchers, and participation in and observation of the inventory count at the end of the year to assess the adequacy of the allowance for stagnant inventory losses.

#### **Other Audit items**

Unifosa Corp. has prepared the individual financial statements for 2021 and 2020, and the audit report with unqualified opinion issued by the accountant has been recorded for reference.

#### **Responsibilities of Management and Governing Units for Consolidated Financial Statements**

The responsibility of the management is to prepare properly expressed consolidated financial statements in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretation and Interpretation Announcements approved and issued by the Financial Supervisory Commission. Internal controls are necessary in relation to the preparation of statements to ensure that the consolidated financial statements are free of material misrepresentation resulting from fraud or error.

In preparing the consolidated financial statements, management's responsibilities also include evaluating the ability of Unifosa Corp. and its subsidiaries to continue as a going concern, disclosure of relevant matters, and adoption of the going-concern accounting basis, unless management intends to liquidate Unifosa Corp. The limited company and its subsidiaries may cease to operate, or there is no practicable alternative to liquidation or cessation of business.

The governance units of Unifosa Corp. and its subsidiaries are responsible for overseeing the financial reporting process.

#### **Accountants' responsibilities for auditing consolidated financial statements**



The purpose of the accountant's audit of the consolidated financial statements is to obtain reasonable confidence in whether there is any material misrepresentation of the consolidated financial statements as a whole resulting from fraud or error, and to issue an audit report. Reasonable certainty is a high degree of certainty, but an audit performed in accordance with generally accepted auditing standards cannot guarantee that a material misrepresentation of the consolidated financial statements will be detected. Misrepresentation may result from fraud or error. Misrepresentation of individual amounts or aggregates is considered material if it can reasonably be expected to affect economic decisions made by users of the consolidated financial statements.

The accountants exercise professional judgment and maintain professional skepticism when auditing in accordance with generally accepted auditing standards. The accountant also performs the following tasks :

1. Identify and assess the risks of material misrepresentation of the consolidated financial statements that could result from fraud or error; Design and implement appropriate responses to the risks assessed; And obtain sufficient and appropriate audit evidence to serve as the basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omission, misrepresentation, or overstepping of internal controls, the risk of undetected material misrepresentation resulting from fraud is higher than that resulting from error.
2. Obtain the necessary understanding of the internal control related to the audit to design the appropriate audit procedure under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of Unifosa Corp. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, whether there is a material uncertainty about the appropriateness of management using the going-concern accounting basis and whether there is a material uncertainty about events or circumstances that may cast significant doubt on the ability of Unifosa Corp. and its subsidiaries to continue as a business in conclusion. If the accountant believes that there are significant uncertainties in such events or circumstances, it shall alert users of the consolidated financial statements to the relevant disclosures in the consolidated financial statements in the audit report, or revise the audit opinion when such disclosures are inappropriate. The accountants' conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Unifosa Corp. and its subsidiaries to no longer have the ability to continue operating.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements properly represent relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence about the financial information of the individuals within the group to express an opinion on the consolidated financial statements. The accountant is responsible for the guidance, supervision and execution of group audit cases, and is responsible for forming group audit opinions.

Matters communicated by the accountant to the governance unit, including the planned scope and time of the audit, and major audit findings (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant is affiliated has complied with the statement on independence in the Code of Professional Ethics for Accountants, and communicates with the governance unit

all relationships that may be considered to affect the accountant's independence and Other matters (including related protective measures).

From the matters communicated with the governance unit, the accountant decides the key audit items for the audit of the 2021 consolidated financial statements of Unifosa Corp. and its subsidiaries. The accountants describe these matters in the audit report. Unless the statute does not allow public disclosure of a specific matter, or in extremely rare circumstances, the accountant has decided not to communicate a specific matter in the audit report because it can reasonably be expected that the negative impact of such communication would outweigh the public interest it would enhance.

Crowe Horwath

Certified Public Accountant : Lin, Chun-Lhih 、 Lin, Chin- Feng

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Tel : 886-2-8770-5181

March 18, 2022

**Unifosa Corp.**  
**CONSOLIDATED BALANCE SHEETS**  
(In Thousands of New Taiwan Dollars)

code	ASSETS	Accompanying notes	2021. 12. 31		2020. 12. 31	
			Amount	%	Amount	%
	<b>CURRENT ASSETS</b>					
1100	Cash	6(1)	\$ 223,980	30	\$ 268,175	32
1136	Financial assets at amortized cost	6(3)	30,852	4	44,850	5
1150	Notes receivables for Non-Related Persons	6(4)	344	-	1,259	-
1170	Trade receivables for Non-Related Persons	6(4)	40,121	5	57,839	7
1200	Other Trade receivables	6(4)	25	-	441	-
1220	Current tax assets	6(17)	38	-	203	-
1310	Amount for inventories	6(5)	98,929	13	102,431	12
1410	Prepayments		4,409	1	6,021	-
1470	Other current assets		16	-	10	-
11xx	Total current assets		<u>398,714</u>	<u>53</u>	<u>481,229</u>	<u>56</u>
	<b>NON-CURRENT ASSETS</b>					
1517	Financial assets at fair value through other comprehensive income	6(2)	5,430	1	4,665	-
1550	Investments accounted for using equity method	6(6)	5,311	1	7,298	1
1600	Property, Plant and equipment	6(7 and 8)	293,837	38	300,942	35
1755	Right-of-use assets	6(8)	5,740	1	7,249	1
1805	Goodwill	6(9 and 19)	19,800	2	19,800	2
1821	Other Intangible assets	6(9 and 19)	7,701	1	8,664	1
1840	Deferred tax assets	6(17)	-	-	11,869	1
1975	Net defined benefit asset	6(12)	8,733	1	8,846	1
1900	Other non-current assets	8	11,559	2	15,655	2
15xx	Total non-current assets		<u>358,111</u>	<u>47</u>	<u>384,988</u>	<u>44</u>
1xxx	Total assets		<u>\$ 756,825</u>	<u>100</u>	<u>\$ 866,217</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>					
	<b>CURRENT LIABILITIES</b>					
2130	Contract liabilities-current	6(14)	\$ 1,806	-	\$ 6,512	-
2150	Notes payable for Non-Related Persons		-	-	24	-
2170	Trade payable for Non-Related Persons		24,459	3	39,683	5
2200	Other payables	6(11)	27,611	4	26,012	3
2280	Lease liabilities	6(8)	4,607	1	3,593	-
2300	Other current liabilities		525	-	469	-
21xx	Total current liabilities		<u>59,008</u>	<u>8</u>	<u>76,293</u>	<u>8</u>
	<b>NON-CURRENT LIABILITIES</b>					
2570	Deferred tax liabilities	6(17)	1,352	-	-	-
2580	Lease liabilities	6(8)	1,271	-	3,854	-
2645	Guarantee deposit received		186	-	186	-
2655	Shareholder accounts	7	30,000	4	38,500	5
25xx	Total non-current liabilities		<u>32,809</u>	<u>4</u>	<u>42,540</u>	<u>5</u>
2xxx	Total liabilities		<u>91,817</u>	<u>12</u>	<u>118,833</u>	<u>13</u>
	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>					
3110	Share capital	6(13)	916,288	121	916,288	106
3200	Capital surplus	6(13)	6,998	1	-	-
	Retained earnings	6(13)				
3310	Legal reserve		7,306	1	7,306	1
3350	Accumulated deficit		(298,490)	(39)	(227,171)	(26)
3300	Total retained earnings		<u>(291,184)</u>	<u>(38)</u>	<u>(219,865)</u>	<u>(25)</u>
3400	Other equity	6(13)	(9,570)	(2)	(10,335)	(1)
31xx	Total equity attributable to owners of the Company		<u>622,532</u>	<u>82</u>	<u>686,088</u>	<u>80</u>
36xx	<b>NON-CONTROLLING INTERESTS</b>	6(13 and 19)	42,476	6	61,296	7
3xxx	Total equity		<u>665,008</u>	<u>88</u>	<u>747,384</u>	<u>87</u>
	<b>TOTAL LIABILITIES AND EQUITY</b>		<u>\$ 756,825</u>	<u>100</u>	<u>\$ 866,217</u>	<u>100</u>

**Unifosa Corp.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

code	ITEM	Accompanying notes	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	6(14)	\$ 328,990	100	\$ 438,846	100
5000	Operating costs	6(5 and 15)	(267,717)	(81)	(387,679)	(88)
5900	Gross profit		61,273	19	51,167	12
	Operating Expenses	6(15) and 7				
6100	Selling expenses		(25,464)	(8)	(23,849)	(5)
6200	Administrative expenses		(59,087)	(18)	(55,015)	(13)
6300	Research and development expenses		(45,866)	(14)	(39,348)	(9)
6000	Total operating expenses		(130,417)	(40)	(118,212)	(27)
6900	Net operating income (loss)		(69,144)	(21)	(67,045)	(15)
	Non-Operating Income And Expenses					
7100	Interest income		487	-	1,080	-
7020	Other gains and losses	6(8 and 16)	1,830	1	11,502	3
7050	Finance costs	7	(938)	-	(749)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(6)	(8,985)	(3)	(10,091)	(2)
7000	Total non-operating income and expenses		(7,606)	(2)	1,742	1
7900	Loss before income tax		(76,750)	(23)	(65,303)	(14)
7950	Income tax expense	6(17)	(13,254)	(4)	(11,389)	(3)
8200	Net profit for the period		(90,004)	(27)	(76,692)	(17)
	Other comprehensive income					
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(12)	(168)	-	159	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(13)	765	-	(4,380)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(17)	33	-	(32)	-
			630	-	(4,253)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations	6(13)	-	-	(1,532)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(13 and 17)	-	-	1,307	-
			-	-	(225)	-
8300	Other comprehensive income(net)		630	-	(4,478)	(1)
8500	Total comprehensive income		\$ (89,374)	(27)	\$ (81,170)	(18)
	Loss attributable to :					
8610	Profit (loss), attributable to owners of parent		\$ (71,184)	(22)	\$ (63,620)	(14)
8620	Profit (loss), attributable to non-controlling interests		(18,820)	(5)	(13,072)	(3)
			\$ (90,004)	(27)	\$ (76,692)	(17)
	Comprehensive income attributable to:					
8710	Comprehensive income, attributable to owners of parent		\$ (70,554)	(21)	\$ (68,098)	(15)
8720	Comprehensive income, attributable to non-controlling interests		(18,820)	(6)	(13,072)	(3)
			\$ (89,374)	(27)	\$ (81,170)	(18)
	Earnings per share	6(18)				
9750	Primary Earnings per Share		\$ (0.78)		\$ (0.69)	

**Unifosa Corp.**  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollar)

		Equity Attributable to Owners of the Company								
		Retained Earnings				Other Equity				
code		Share capital	Capital Surplus	Legal Reserve	Accumulated deficit	Exchange differences on translation of the financial statements of foreign operations	Unrealized loss of Financial assets at fair value through other comprehensive income	Total of Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
A1	Balance at January 1,2020	\$ 916,288	\$ -	\$ 7,306	\$ (162,179)	\$ 225	\$ (3,631)	\$ 758,009	\$ 1,413	\$ 759,422
C7	Changes in Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	(3,823)	-	-	(3,823)	-	(3,823)
D1	Net loss for the twelve months ended December 31,2020	-	-	-	(63,620)	-	-	(63,620)	(13,072)	(76,692)
D3	Other comprehensive income for the twelve months ended December 31,2020	-	-	-	127	(225)	(4,380)	(4,478)	-	(4,478)
D5	Total comprehensive income for the twelve months ended December 31,2020	-	-	-	(63,493)	(225)	(4,380)	(68,098)	(13,072)	(81,170)
01	Changes in non-controlling interests	-	-	-	-	-	-	-	72,955	72,955
Q1	Dispose of equity instruments measured at fair value through other consolidated gains and losses	-	-	-	2,324	-	(2,324)	-	-	-
Z1	Balance at December 31,2020	916,288	-	7,306	(227,171)	-	(10,335)	686,088	61,296	747,384
C7	Changes in associated enterprises and joint ventures recognized by the equity method	-	6,998	-	-	-	-	6,998	-	6,998
D1	Net loss for the twelve months ended December 31,2021	-	-	-	(71,184)	-	-	(71,184)	(18,820)	(90,004)
D3	Other comprehensive income for the twelve months ended December 31,2021	-	-	-	(135)	-	765	630	-	630
D5	Total comprehensive income for the twelve months ended December 31,2020	-	-	-	(71,319)	-	765	(70,554)	(18,820)	(89,374)
Z1	Balance at December 31,2021	\$ 916,288	\$ 6,998	\$ 7,306	\$ (298,490)	\$ -	\$ (9,570)	\$ 622,532	\$ 42,476	\$ 665,008

**Unifosa Corp.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In Thousands of New Taiwan Dollar)

<u>code</u>		<u>2021</u>	<u>2020</u>
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Profit before income tax	\$ (76,750)	\$ (65,303)
A20000	Adjustments		
A20100	Depreciation expense	15,884	14,535
A20200	Amortization expense	963	442
A20400	Net loss on fair value changes of financial assets at fair value through profit or loss	-	(6,775)
A20900	Interest expense	938	749
A21200	Interest income	(487)	(1,080)
A22300	Share of loss of associates and joint ventures accounted for using equity method	8,985	10,091
A23100	Loss on disposal of investments	-	47
A31000	Total changes in operating assets		
A31115	Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	-	6,728
A31130	Decrease in Notes receivables for Non-Related Persons	915	3,997
A31150	Decrease (increase) in Trade receivables for Non-Related Persons	17,718	(17,743)
A31180	Decrease (increase) in Other Trade receivables	405	(286)
A31200	Decrease in Amount for inventories	3,502	257
A31230	Decrease in Prepayments	1,612	3,998
A31240	Increase in other current assets	(6)	(2)
A31990	Increase in other operating assets	(55)	(86)
A32000	Changes in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(4,706)	4,410
A32130	Decrease in notes payable for Non-Related Persons	(24)	(487)
A32150	Decrease (increase) in accounts payable for Non-Related Persons	(15,224)	8,744
A32180	Increase in other payable	1,865	3,605
A32230	Increase in other current liabilities	56	131
A33000	Cash outflow generated from operations	(44,409)	(34,028)
A33100	Interest received	498	1,092
A33300	Interest paid	(758)	(615)
A33500	Income taxes refund	165	121
AAAA	Net cash flows from (used in) operating activities	(44,504)	(33,430)

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<u>code</u>		<u>2021</u>	<u>2020</u>
BBBB	Cash flows from investing activities		
B00050	Proceeds from sale of financial assets at amortized cost	13, 998	22, 038
B01800	Disposal of investments accounted for using equity method	–	(15, 000)
B02200	Acquisitions of subsidiaries (net of cash received)	–	17, 566
B02700	Payments for property, plant and equipment	(4, 890)	(5, 025)
B06800	Decrease in other non-current assets	4, 233	3, 088
BBBB	Net cash generated from (used in) investing activities	<u>13, 341</u>	<u>22, 667</u>
CCCC	Cash flows from financing activities		
C03100	Decrease in guarantee deposits received	–	(330)
C04020	Repayment of the principal portion of lease liabilities	(4, 532)	(5, 105)
C09900	Other fundraising activities	<u>(8, 500)</u>	<u>–</u>
CCCC	Net cash generated from financing activities	<u>(13, 032)</u>	<u>(5, 435)</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>–</u>	<u>(1, 532)</u>
EEEE	Cash at the equivalents of the period	(44, 195)	(17, 730)
E00100	Cash at the beginning of the period	<u>268, 175</u>	<u>285, 905</u>
E00200	Cash at the end of the period	<u>\$ 223, 980</u>	<u>\$ 268, 175</u>

## Accountant's audit report

### Audit opinion

The individual balance sheet of Unifosa Corp. as of December 31, 2021 and 2020, and the individual comprehensive income statement, individual statement of changes in equity, and individual cash flow from January 1 to December 31, 2021 and 2020 Statements and notes to individual financial statements (including a summary of significant accounting policies) have been reviewed and completed by the accountant.

In the opinion of this accountant, the above individual financial statements are prepared in accordance with the preparation standards for financial reporting of securities issuers in all material aspects, and are sufficient to fairly express the individual financial position of Unifosa Corp. as of December 31, 2021 and 2020. Individual financial performance and individual cash flow for the year and January 1 to December 31, 2020.

### Basis for audit opinion

The accountant performs audit work in accordance with the rules for auditing and certification of financial statements by accountants and generally accepted auditing standards. The accountant's responsibilities under these standards are further described in the Accountants' Responsibilities for audit of the consolidated financial statements. The independent personnel of the accounting firm affiliated to the accounting firm have maintained detachment and independence from Unifosa Corp. and its subsidiaries in accordance with the code of professional ethics for accountants, and fulfilled other responsibilities of the code. The Accountant believes that sufficient and appropriate audit evidence has been obtained to form a basis for expressing an audit opinion.

### Key Audit Matter

The key audit matters refer to the most important matters in the audit of the 2021 individual financial statements of Unifosa Corp. according to the professional judgment of the accountant. These matters have been addressed in the process of auditing the individual financial statements as a whole and forming an audit opinion, and the accountant does not express an independent opinion on these matters.

The key audit items for the 2021 individual financial statements of Unifosa Corp. are described as follows :

#### Recognition of sales revenue

There is a risk of fraud in the default revenue recognition of the Taiwan Auditing Standards Bulletin. There may be pressure on management to achieve expected financial goals and there is a higher risk of congenital fraud in revenue recognition. The sales revenue of Unifosa Corp. and its subsidiaries' top ten sales customers in 2021 accounted for 55.02% of the annual net operating revenue, which has a significant impact on the individual financial statements, so it is listed as a key audit matter.

The main audit procedures performed by the accountant are as follows :

1. Understand the internal control system related to sales transactions, and evaluate the effectiveness of its design and implementation.
2. Understand the client's background and obtain basic information to assess whether the transaction amount and credit line are reasonable with the size of the company.
3. Sampling customer orders and shipping documents, and at the same time, check and verify with external shipping documents, payment reconciliation records and payment vouchers



and other related materials to evaluate whether they meet the requirements for revenue recognition.

#### Intangible assets (including goodwill) impairment assessment

Unifosa Corp. obtained the control of Morelink Technology Corporation. in 2020. As of December 31, 2021, the balance of the equity method investment obtained by Unifosa Corp. due to mergers and acquisitions was NT\$53,540,000 (including goodwill of NT\$19,800,000 and intangible assets of NT\$7,701,000).

For Unifosa Corp., Morelink Technology Corporation. is an independent cash-generating unit, and the possibility of investment (including goodwill and intangible assets) using the equity method is measured according to its future operating cash flow. Since these assumptions involve the subjective judgment of the management and may be affected by the future industry and economic conditions, which are highly uncertain, the impairment assessment of investments using the equity method is listed as a key check item. For details of investments using the equity method, please refer to Notes 4, 5 and 6(5) to the individual financial statements.

The main audit procedures performed by the accountant are as follows :

1. Understand and evaluate management's procedures for identifying signs of impairment of such assets.
2. Assess the professional competence, competence and objectivity of external evaluation experts entrusted by the management. Discuss with management the scope of work of evaluators and review their appointment conditions to confirm that there are no matters that affect their objectivity or limit their scope of work, and that the methods used by evaluators are in line with international accounting standards and industry norms.
3. Understand the process and basis for management's estimation of the financial data projected by the cash-generating unit to which these assets belong from future operating prospects.

#### Assessment of inventory allowance for impairment and sluggish losses

The inventory management business of Unifosa Corp. is divided into memory business group and storage business group. Due to fluctuations in market demand and rapid changes in technology, the management's estimation of net realizable value and the judgment of inventory sluggishness may be affected. Therefore, it is listed as a key audit matter. Please refer to Notes 4, 5 and 6(4) to the individual financial statements for the assessment of inventory allowance for impairment and sluggish losses.

The main audit procedures of the accountant are as follows :

1. Evaluate whether the policy adopted by management for the provision of allowances for depreciation of inventories and sluggish losses is reasonable and appropriate.
2. Obtain a breakdown of inventory depreciation prepared by management itself, verify through sampling that it is measured at the lower of cost and net realizable value, and evaluate the rationality of the net realizable value basis used.
3. Obtain the inventory age list, and evaluate the inventory status through sample selection, testing of relevant vouchers, and participation in and observation of the inventory count at the end of the year to assess the adequacy of the allowance for stagnant inventory losses.

#### **Responsibilities of Management and Governing Units for Individual Financial Statements**

The responsibility of the management is to prepare properly expressed individual financial statements in accordance with the financial reporting standards of securities issuers, and to maintain the necessary internal controls related to the preparation of individual financial

statements to ensure that the individual financial statements do not contain material that could lead to fraud or error misrepresentation .

In preparing individual financial statements, management's responsibilities also include assessing the ability of Unifosa Corp. to continue as a business, disclosure of relevant matters, and the adoption of the going-concern accounting basis, unless management intends to liquidate Unifosa Corp. or cessation of business, or there is no practical alternative to liquidation or cessation of business.

The governance unit of Unifosa Corp. is responsible for overseeing the financial reporting process.

### **Accountants' responsibilities for auditing individual financial statements**

The purpose of the accountant's audit of the individual financial statements is to obtain reasonable confidence in whether there is any material misrepresentation of the individual financial statements as a whole resulting from fraud or error, and to issue an audit report. Reasonable certainty is a high degree of certainty, but an audit performed in accordance with generally accepted auditing standards cannot guarantee that a material misrepresentation of the individual financial statements will be detected. Misrepresentation may result from fraud or error. Misrepresentation of individual amounts or aggregates is considered material if it can reasonably be expected to affect economic decisions made by users of the individual financial statements.

The accountants exercise professional judgment and maintain professional skepticism when auditing in accordance with generally accepted auditing standards. The accountant also performs the following tasks :

1. Identify and assess the risks of material misrepresentation of the individual financial statements that could result from fraud or error; Design and implement appropriate responses to the risks assessed; And obtain sufficient and appropriate audit evidence to serve as the basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omission, misrepresentation, or overstepping of internal controls, the risk of undetected material misrepresentation resulting from fraud is higher than that resulting from error.
2. Obtain the necessary understanding of the internal control related to the audit to design the appropriate audit procedure under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal control of Unifosa Corp. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, whether there is a material uncertainty about the appropriateness of management using the going-concern accounting basis and whether there is a material uncertainty about events or circumstances that may cast significant doubt on the ability of Unifosa Corp. to continue as a business in conclusion. If the accountant believes that there are significant uncertainties in such events or circumstances, it shall alert users of the individual financial statements to the relevant disclosures in the consolidated financial statements in the audit report, or revise the audit opinion when such disclosures are inappropriate. The accountants' conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Unifosa Corp. to no longer have the ability to continue operating.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including relevant notes), and whether the individual financial statements

- properly represent relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence about the financial information of the individuals within the group to express an opinion on the individual financial statements. The accountant is responsible for the guidance, supervision and execution of group audit cases, and is responsible for forming group audit opinions.

Matters communicated by the accountant to the governance unit, including the planned scope and time of the audit, and major audit findings (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant is affiliated has complied with the statement on independence in the Code of Professional Ethics for Accountants, and communicates with the governance unit all relationships that may be considered to affect the accountant's independence and Other matters (including related protective measures).

From the matters communicated with the governance unit, the accountant decides the key audit items for the audit of the 2021 individual financial statements of Unifosa Corp. and its subsidiaries. The accountants describe these matters in the audit report. Unless the statute does not allow public disclosure of a specific matter, or in extremely rare circumstances, the accountant has decided not to communicate a specific matter in the audit report because it can reasonably be expected that the negative impact of such communication would outweigh the public interest it would enhance.

Crowe Horwath

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Tel : 886-2-8770-5181

March 18, 2022

**Unifosa Corp.**

**PARENT COMPANY ONLY BALANCE SHEETS**

(In Thousands of New Taiwan Dollars)

code	ASSETS	Accompanying notes	2021. 12. 31		2020. 12. 31	
			Amount	%	Amount	%
	<b>CURRENT ASSETS</b>					
1100	Cash	6(1)	\$ 200, 118	30	\$ 212, 569	29
1150	Notes receivables for Non-Related Persons	6(3)	344	-	1, 259	-
1170	Trade receivables for Non-Related Persons	6(3)	32, 311	5	45, 970	6
1180	Trade receivables for Related Persons	6(3) and 7	920	-	51	-
1200	Other Trade receivables	6(3)	131	-	2	-
1220	Current tax assets	6(15)	38	-	203	-
1310	Amount for inventories	6(4)	27, 868	4	23, 913	4
1410	Prepayments		715	-	908	-
1470	Other current assets		16	-	10	-
11xx	Total current assets		262, 461	39	284, 885	39
	<b>NON-CURRENT ASSETS</b>					
1517	Financial assets at fair value through other comprehensive income	6(2)	5, 430	-	4, 665	-
1550	Investments accounted for using equity method	6(5)	112, 393	17	148, 473	20
1600	Property, Plant and equipment	6(6) and 8	267, 860	40	269, 968	37
1755	Right-of-use assets	6(7)	1, 934	-	764	-
1840	Deferred tax assets	6(15)	-	-	11, 813	2
1975	Net defined benefit asset	6(10)	8, 733	2	8, 846	1
1900	Other non-current assets		9, 287	2	9, 708	1
15xx	Total non-current assets		405, 637	61	454, 237	61
1xxx	Total assets		\$ 668, 098	100	\$ 739, 122	100
code	<b>LIABILITIES AND EQUITY</b>					
	<b>CURRENT LIABILITIES</b>					
2130	Contract liabilities-current	6(12)	\$ 200	-	\$ 204	-
2150	Notes payablefor for Non-Related Persons		-	-	24	-
2170	Trade payable for Non-Related Persons		23, 686	4	35, 666	5
2200	Other payables	6(9)	17, 378	3	15, 367	2
2280	Lease liabilities	6(7)	1, 504	-	623	-
2300	Other current liabilities		324	-	295	-
21xx	Total current liabilities		43, 092	7	52, 179	7
	<b>NON-CURRENT LIABILITIES</b>					
2570	Deferred tax liabilities	6(15)	1, 362	-	-	-
2580	Lease liabilities	6(7)	426	-	169	-
2645	Guarantee deposit received		686	-	686	-
25xx	Total non-current liabilities		2, 474	-	855	-
2xxx	Total liabilities		45, 566	7	53, 034	7
	<b>EQUITY</b>					
3110	Share capital	6(11)	916, 288	137	916, 288	124
3200	Capital surplus	6(11)	6, 998	1	-	-
	Retained earnings	6(11)				
3310	Legal reserve		7, 306	1	7, 306	1
3350	Accumulated deficit		(298, 490)	(45)	(227, 171)	(31)
3300	Total retained earnings		(291, 184)	(44)	(219, 865)	(30)
3400	Other equity	6(11)	(9, 570)	(1)	(10, 335)	(1)
3xxx	Total equity		622, 532	93	686, 088	93
	<b>TOTAL LIABILITIES AND EQUITY</b>		\$ 668, 098	100	\$ 739, 122	100

**Unifosa Corp.**  
**PARENT COMPANY ONLY OF COMPOSITE INCOME SHEETS**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

code	ITEM	Accompanying notes	2021		2020	
			Amount	%	Amount	%
4000	Operating revenue	6(12) and 7	\$ 277,308	100	\$ 423,402	100
5000	Operating costs	6(4 and 13)	(233,365)	(84)	(380,230)	(90)
5900	Gross profit		43,943	16	43,172	10
5910	Unrealized loss on sales	6(5)	150	-	118	-
5920	Realized loss on sales	6(5)	(118)	-	-	-
5950	Gross profit (loss) from operations		43,975	16	43,290	10
	Operating Expenses	6(13) and 7				
6100	Selling expenses		(19,892)	(7)	(21,327)	(5)
6200	Administrative expenses		(34,637)	(13)	(34,266)	(8)
6300	Research and development expenses		(14,974)	(5)	(14,407)	(3)
6000	Total operating expenses		(69,503)	(25)	(70,000)	(16)
6900	Net operating income (loss)		(25,528)	(9)	(26,710)	(6)
	Non-Operating Income And Expenses					
7100	Interest income		285	-	619	-
7020	Other gains and losses	6(14) and 7	10,413	4	15,218	4
7050	Finance costs		(36)	-	(28)	-
7070	Share of profit (loss) of subsidiary and associates and joint ventures accounted for using equity method		(43,110)	(15)	(41,303)	(10)
7000	Total non-operating income and expenses		(32,448)	(11)	(25,494)	(6)
7900	Loss before income tax		(57,976)	(20)	(52,204)	(12)
7950	Income tax expense	6(15)	(13,208)	(5)	(11,416)	(3)
8200	Net profit for the period		(71,184)	(25)	(63,620)	(15)
	Other comprehensive income					
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans	6(10)	(168)	-	159	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(11)	765	-	(4,380)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(15)	33	-	(32)	-
			630	-	(4,253)	(1)
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations	6(11)	-	-	(1,532)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(11 and 15)	-	-	1,307	-
			-	-	(225)	-
8300	Other comprehensive income(net)		630	-	(4,478)	(1)
8500	Total comprehensive income		\$ (70,554)	(25)	\$ (68,098)	(16)
	Earnings per share	6(16)				
9750	Primary Earnings per Share		\$ (0.78)		\$ (0.69)	

**Unifosa Corp.**  
**PARENT COMPANY ONLY OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollar)

code		Retained Earnings				Other Equity		Total Equity
		Share capital	Capital Surplus	Legal Reserve	Accumulated deficit	Exchange differences on translation of the financial statements of foreign operations	Unrealized loss of Financial assets at fair value through other comprehensive income	
A1	Balance at January 1,2020	\$ 916, 288	\$ -	\$ 7, 306	\$ (162, 179)	\$ 225	\$ (3, 631)	\$ 758, 009
C7	Changes in Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	(3, 823)	-	-	(3, 823)
D1	Net loss for the twelve months ended December 31,2020	-	-	-	(63, 620)	-	-	(63, 620)
D3	Other comprehensive income for the twelve months ended December 31,2020	-	-	-	127	(225)	(4, 380)	(4, 478)
D5	Total comprehensive income for the twelve months ended December 31,2020	-	-	-	(63, 493)	(225)	(4, 380)	(68, 098)
Q1	Dispose of equity instruments measured at fair value through other consolidated gains and losses	-	-	-	2, 324	-	(2, 324)	-
Z1	Balance at December 31,2020	916, 288	-	7, 306	(227, 171)	-	(10, 335)	686, 088
C7	Changes in associated enterprises and joint ventures recognized by the equity method	-	6, 998	-	-	-	-	6, 998
D1	Net loss for the twelve months ended December 31,2021	-	-	-	(71, 184)	-	-	(71, 184)
D3	Other comprehensive income for the twelve months ended December 31,2021	-	-	-	(135)	-	765	630
D5	Total comprehensive income for the twelve months ended December 31,2020	-	-	-	(71, 319)	-	765	(70, 554)
Z1	Balance at December 31,2021	<u>\$ 916, 288</u>	<u>\$ 6, 998</u>	<u>\$ 7, 306</u>	<u>\$ (298, 490)</u>	<u>\$ -</u>	<u>\$ (9, 570)</u>	<u>\$ 622, 532</u>

**Unifosa Corp.**  
**PARENT COMPANY ONLY OF CASH FLOWS**  
(In Thousands of New Taiwan Dollar)

<u>code</u>		<u>2021</u>	<u>2020</u>
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Profit before income tax	\$ (57, 976)	\$ (52, 204)
A20000	Adjustments		
A20100	Depreciation expense	4, 290	4, 232
A20400	Net loss on fair value changes of financial assets at fair value through profit or loss	-	(6, 775)
A20900	Interest expense	36	28
A21200	Interest income	(285)	(619)
A22400	Share of profit (loss) of subsidiary and associates and joint ventures accounted for using equity method	43, 110	41, 303
A23100	Loss on disposal of investments	-	47
A23900	Unrealized loss on sales	(150)	(118)
A24000	Realized loss on sales	118	-
A31000	Total changes in operating assets		
A31115	Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	-	6, 728
A31130	Decrease in Notes receivables for Non-Related Persons	915	3, 997
A31150	Decrease (increase) in Trade receivables for Non-Related Persons	13, 659	(17, 864)
A31160	Trade receivables for Related Persons (increase)	(869)	(51)
A31180	Decrease (increase) in Other Trade receivables	(129)	(2)
A31200	Decrease in Amount for inventories	(3, 955)	4, 040
A31230	Decrease in Prepayments	193	159
A31240	Increase in other current assets	(6)	(2)
A31990	Increase in other operating assets	(55)	(86)
A32000	Changes in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(4)	(730)
A32130	Decrease in notes payable for Non-Related Persons	(24)	(19)
A32150	Decrease (increase) in accounts payable for Non-Related Persons	(11, 980)	11, 180
A32180	Increase in other payable	2, 011	(224)
A32230	Increase in other current liabilities	29	64
A33000	Cash outflow generated from operations	(11, 072)	(6, 916)
A33100	Interest received	285	619
A33300	Interest paid	(36)	(28)
A33500	Income taxes refund	165	121
AAAA	Net cash flows from (used in) operating activities	(10, 658)	(6, 204)

(Continue to next page)

(Continued from previous page)

code		2021	2020
BBBB	Cash flows from investing activities		
B01800	Disposal of investments accounted for using equity method	–	(60, 000)
B01900	Disposal of investments accounted for using equity method	–	19, 736
B02700	Payments for property, plant and equipment	(1, 047)	(111)
B06700	Increase in other non-current assets	–	(1, 693)
B06800	Decrease in other non-current assets	748	–
BBBB	Net cash generated from (used in) investing activities	(299)	(42, 068)
CCCC	Cash flows from financing activities		
C03000	Guarantee deposit received (increase)	–	171
C04020	Repayment of the principal portion of lease liabilities	(1, 494)	(1, 476)
CCCC	Net cash generated from financing activities	(1, 494)	(1, 305)
EEEE	Cash at the equivalents of the period	(12, 451)	(49, 577)
E00100	Cash at the beginning of the period	212, 569	262, 146
E00200	Cash at the end of the period	\$ 200, 118	\$ 212, 569



● **Annex 4**

**Unifosa Corp.**  
**Deficit Compensation Statement**  
**2021**

Unit: NTD\$

<b>Items</b>	<b>Total</b>
Unappropriated retained earnings (or accumulated deficit) of prior years	(227,170,798)
Remeasurements of the net defined benefit plan	(134,972)
Adjusted retained earnings - unappropriated	(227,305,770)
Loss after tax for 2021	(71,184,420)
Deficit yet to be compensated – at the end of 2021	(298,490,190)

Chairman : Chen, Ching-jong

General Manager : Chen, Ching-jong

Accounting Department Manager : Chen, Hsiu yu

● Annex 5

# Unifosa Corp.

## 「Articles of Incorporation」

### Comparison table of provisions before and after amendment

Terms	Original clause	Amended provision	Correction reason
Article 1	The Company, organized under the Company Act <u>as a Company limited by shares</u> , and shall be named Unifosa CORP. (hereinafter, “the Company”).	The Company, organized under the Company Act, and shall be named Unifosa CORP. <u>and the English name is UNIFOSA CORP.</u>	In accordance with the amendment of the Company Law, the English name of the company shall be specified.
Article 7	The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of, <u>at least three directors</u> , and authenticated by the competent governmental authority upon issuance.  Shares issued by the Company need not be in certificate form. However the Company shall request the securities central depository institution for custody or registration of the certificates issued.	The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of <u>the directors representing the company</u> , and authenticated by the competent governmental authority upon issuance.  Shares issued by the Company need not be in certificate form. However the Company shall request the securities central depository institution for custody or registration of the certificates issued.	In order to cooperate with the amendment of the Company Law, the text will be amended as appropriate.
Article 11	The shareholders' meeting of the company is divided into the following two types:  1. The regular meeting of shareholders shall be convened within six months after the end of each fiscal year.  2. Extraordinary shareholders meetings may be called in accordance and whenever necessary.	The shareholders' meeting of the company is divided into the following two types:  1. The regular meeting of shareholders shall be convened within six months after the end of each fiscal year.  2. Extraordinary shareholders meetings may be called in accordance and whenever necessary.  <u>The company's shareholders' meeting may be held by video conference or other methods announced by the central competent authority. The conditions, operating procedures and other matters to be complied with when adopting a video-based shareholder meeting shall be handled in accordance with the relevant regulations of the securities regulatory authority.</u>	In order to cooperate with the amendment of the Company Law, it is expressly stipulated in the articles of association to hold a video conference or an announcement.
Article 17-1	Pursuant to Article <u>183</u> of the Securities and Exchange Act, <u>the Company's board of directors shall include three independent directors</u> , independent directors are elected and appointed by the shareholders' meeting from candidates in accordance with the candidate nomination system. Their professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for	Pursuant to Article <u>14-2</u> of the Securities and Exchange Act, <u>the company shall have at least three independent directors in the number of directors in the preceding article</u> , independent directors are elected and appointed by the shareholders' meeting from candidates in accordance with the candidate nomination system. Their professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method	In order to cooperate with the Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors, the main points of the

	compliance with respect to independent directors shall follow the regulation of the competent authority in charge of securities affairs.	of nomination, and other matters for compliance with respect to independent directors shall follow the regulation of the competent authority in charge of securities affairs.	matters should be revised, and the number of independent directors should be increased.
Article 29	<p>The company shall allocate 5% to 15% of the annual profits for employees and no more than 2% for directors. Employees may be paid in stock or cash to include employees of affiliated companies who meet certain conditions, such conditions shall be prescribed by the chairman.</p> <p>However, when the company still has accumulated losses, it should reserve the amount to make up in advance, and then allocate the employee's remuneration and director's remuneration in accordance with the proportion in the preceding paragraph.</p>	<p>The company shall allocate 5% to 15% of the annual profits for employees and no more than 2% for directors. Employees may be paid in stock or cash to include employees of <u>controlled or</u> affiliated companies who meet certain conditions, such conditions shall be prescribed by the chairman.</p> <p>However, when the company still has accumulated losses, it should reserve the amount to make up in advance, and then allocate the employee's remuneration and director's remuneration in accordance with the proportion in the preceding paragraph.</p>	In line with the amendment of the Company Law, it is stipulated in the articles of association that the implementation objects of employee compensation may include employees of controlled or affiliated companies that meet certain conditions.
Article 29-1	<p>If there is any surplus in the company's annual final accounts, 10% of the company's legal surplus reserves shall be allocated in addition to the taxes paid and the losses made in previous years. However, if the legal surplus reserve has reached the amount of paid-in capital of the company, it shall not be subject to this limitation, if there is a balance, and the undistributed surplus accumulated in the previous period is added to the balance, the surplus may be retained and distributed separately in the following year, the board of directors shall draw up a proposal for surplus distribution according to the company's dividend policy <u>and submit it to the shareholders' meeting for resolution.</u></p> <p>The company considers the company's environment and growth stage, in response to future capital needs and long-term financial planning, and to meet shareholders' needs for cash inflows, the company</p>	<p>If there is any surplus in the company's annual final accounts, 10% of the company's legal surplus reserves shall be allocated in addition to the taxes paid and the losses made in previous years. However, if the legal surplus reserve has reached the amount of paid-in capital of the company, it shall not be subject to this limitation, if there is a balance, and the undistributed surplus accumulated in the previous period is added to the balance, the surplus may be retained and distributed separately in the following year, the board of directors shall draw up a proposal for surplus distribution according to the company's dividend policy . <u>if it is done by issuing new shares, it should be submitted to the shareholders' meeting for resolution.</u></p> <p><u>The Company shall distribute dividends and bonuses or all or part of the statutory surplus reserve and capital reserve, if it is done by way of cash distribution, and authorize the board of directors with the presence of more than two-thirds of the directors and with the consent of more than half of the directors present. and report to the shareholders meeting.</u></p> <p>The company considers the company's environment and growth stage, in response to future capital needs and long-term financial planning, and to meet shareholders' needs for cash inflows, the</p>	In line with the amendments to the Company Law, the distribution of earnings can be distributed in cash by means of a special resolution of the board of directors authorized by the articles of association and reported to the shareholders' meeting.

	allocates more than 50% of the distributable surplus to distribute dividends to shareholders, of which cash dividends must not be low. 20% of the total dividends.	company allocates more than 50% of the distributable surplus to distribute dividends to shareholders, of which cash dividends must not be low. 20% of the total dividends.	
Article 29-2	(Added to this article)	<u>The object of the company's legal acquisition of shares for transfer, the object to which the employee stock option certificate is issued, the object to which new shares are issued for subscription, and the object of issuance of new shares with restricted employee rights include employees of controlled or subordinate companies who meet certain conditions. The certain conditions shall be determined by the chairman of the board.</u>	In line with the amendment of the Company Law, it is stipulated in the articles of association that the implementation objects of employee rewards may include employees of controlling or subordinate companies who meet certain conditions.
Article 34	<p>These Articles of Incorporation were enacted on May 6, 1994.</p> <p>The 1st amendment was made on March 16, 1995.</p> <p>The 2nd amendment was made on September 15, 1995.</p> <p>The 3rd amendment was made on July 29, 1996.</p> <p>The 4th amendment was made on August 9, 1996.</p> <p>The 5th amendment was made on December 1, 1997.</p> <p>The 6th amendment was made on March 30, 1998.</p> <p>The 7th amendment was made on May 5, 1998.</p> <p>The 8th amendment was made on September 2, 1998.</p> <p>The 9th amendment was made on October 20, 1998.</p> <p>The 10th amendment was made on January 15, 1999.</p> <p>The 11th amendment was made on July 1, 1999.</p> <p>The 12th amendment was made on March 22, 2000.</p> <p>The 13th amendment was made on May 29, 2000.</p> <p>The 14th amendment was made on October 6, 2000.</p> <p>The 15th amendment was made on June 4, 2002.</p> <p>The 16th amendment was made on June 26, 2003.</p>	<p>These Articles of Incorporation were enacted on May 6, 1994.</p> <p>The 1st amendment was made on March 16, 1995.</p> <p>The 2nd amendment was made on September 15, 1995.</p> <p>The 3rd amendment was made on July 29, 1996.</p> <p>The 4th amendment was made on August 9, 1996.</p> <p>The 5th amendment was made on December 1, 1997.</p> <p>The 6th amendment was made on March 30, 1998.</p> <p>The 7th amendment was made on May 5, 1998.</p> <p>The 8th amendment was made on September 2, 1998.</p> <p>The 9th amendment was made on October 20, 1998.</p> <p>The 10th amendment was made on January 15, 1999.</p> <p>The 11th amendment was made on July 1, 1999.</p> <p>The 12th amendment was made on March 22, 2000.</p> <p>The 13th amendment was made on May 29, 2000.</p> <p>The 14th amendment was made on October 6, 2000.</p> <p>The 15th amendment was made on June 4, 2002.</p> <p>The 16th amendment was made on June 26, 2003.</p>	Add revision date

	<p>The 17th amendment was made on June 16, 2004.</p> <p>The 18th amendment was made on June 10, 2005.</p> <p>The 19th amendment was made on June 10, 2005.</p> <p>The 20th amendment was made on June 23, 2006.</p> <p>The 21st amendment was made on June 13, 2007.</p> <p>The 22nd amendment was made on June 13, 2008.</p> <p>The 23rd amendment was made on November 17, 2008.</p> <p>The 24th amendment was made on June 10, 2009.</p> <p>The 25th amendment was made on June 15, 2010.</p> <p>The 26th amendment was made on June 15, 2012.</p> <p>The 27th amendment was made on June 11, 2013.</p> <p>The 28th amendment was made on June 15, 2016.</p>	<p>The 17th amendment was made on June 16, 2004.</p> <p>The 18th amendment was made on June 10, 2005.</p> <p>The 19th amendment was made on June 10, 2005.</p> <p>The 20th amendment was made on June 23, 2006.</p> <p>The 21st amendment was made on June 13, 2007.</p> <p>The 22nd amendment was made on June 13, 2008.</p> <p>The 23rd amendment was made on November 17, 2008.</p> <p>The 24th amendment was made on June 10, 2009.</p> <p>The 25th amendment was made on June 15, 2010.</p> <p>The 26th amendment was made on June 15, 2012.</p> <p>The 27th amendment was made on June 11, 2013.</p> <p>The 28th amendment was made on June 15, 2016.</p> <p><u>The 29th amendment was made on June 10, 2022.</u></p>	
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## Unifosa Corp.

### 「Procedure for the Acquisition and Disposal of Assets」

#### Comparison table of provisions before and after amendment

Terms	Original clause	Amended provision	Correction reason
Article 5	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</li> <li>2. May not be a related party or de facto related party of any party to the transaction.</li> <li>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> <li>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> </ol>	<p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <ol style="list-style-type: none"> <li>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</li> <li>2. May not be a related party or de facto related party of any party to the transaction.</li> <li>3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</li> </ol> <p>When issuing an appraisal reports or opinion, the personnel <u>in the preceding paragraph shall handle the following matters in accordance with the self-discipline regulations of the respective trade associations to which they belong:</u></p> <ol style="list-style-type: none"> <li>1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> </ol>	<p>In order to cooperate with the Financial Supervisory Commission on January 28, 2022, Jin Guan Zheng Fa Zi No. 11103804655 Letter Amendment.</p>

	<p>2. When <u>examining a case</u>, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness, accuracy, and reasonableness</u> of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>reasonable and accurate</u>, and that they have complied with applicable laws and regulations.</p>	<p>2. When <u>executing cases</u>, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</p> <p>3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> 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.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and reasonable</u>, and that they have complied with applicable laws and regulations..</p>	
Article 7	<p>Assessment and operational procedures for the acquisition or disposal of securities</p> <p>1. Price decision method and reference basis and commission experts to issue a valuation report. 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% 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</u></p>	<p>Assessment and operational procedures for the acquisition or disposal of securities</p> <p>1. Price decision method and reference basis and commission experts to issue a valuation report. 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% 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. Provided, however, that such securities shall not be subject to the following provisions.</p>	

	<p><u>accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. Provided, however, that such securities shall not be subject to the following provisions.</u></p> <p>(1) To initiate or raise funds in accordance with the law, establishment and acquisition of securities by cash contribution, and acquire the rights recognized by the securities equal to the proportion of capital contribution.</p> <p>(2) Participating in the subscription of securities issued at face value by the underlying company in accordance with the relevant laws and regulations for cash capital increase.</p> <p>(3) Participate in the subscription of 100% direct or indirect investment companies to conduct cash capital increase issue securities, or 100% of the subsidiary companies to participate in the subscription of cash capital increase issue securities.</p> <p>(4) An exchange-listed, OTC-listed, or emerging stock company on a stock exchange or at the business premises of a securities firm.</p> <p>(5) Domestic government bonds or bonds under repurchase and resale agreements.</p> <p>(6) Public Offering of Fund.</p> <p>(7) To acquire or dispose of the stocks of listed companies in accordance with the bidding or auction methods of listed securities of Taiwan Stock Exchange Corporation or Taipei Exchange.</p> <p>(8) Participate in the domestic public offering company's cash increase and share subscription or subscribe for corporate bonds (including financial bonds), and the obtained securities are not private equity securities.</p> <p>(9) In accordance with the provisions</p>	<p>(1) To initiate or raise funds in accordance with the law, establishment and acquisition of securities by cash contribution, and acquire the rights recognized by the securities equal to the proportion of capital contribution.</p> <p>(2) Participating in the subscription of securities issued at face value by the underlying company in accordance with the relevant laws and regulations for cash capital increase.</p> <p>(3) Participate in the subscription of 100% direct or indirect investment companies to conduct cash capital increase issue securities, or 100% of the subsidiary companies to participate in the subscription of cash capital increase issue securities.</p> <p>(4) An exchange-listed, OTC-listed, or emerging stock company on a stock exchange or at the business premises of a securities firm.</p> <p>(5) Domestic government bonds or bonds under repurchase and resale agreements.</p> <p>(6) Public Offering of Fund.</p> <p>(7) To acquire or dispose of the stocks of listed companies in accordance with the bidding or auction methods of listed securities of Taiwan Stock Exchange Corporation or Taipei Exchange.</p> <p>(8) Participate in the domestic public offering company's cash increase and share subscription or subscribe for corporate bonds (including financial bonds), and the obtained securities are not private equity securities.</p> <p>(9) In accordance with the provisions</p>	
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	<p>of paragraph 1, article 11 of the securities investment trust and advisory act, those who purchase domestic private funds before the establishment of the fund, or purchase or repurchase domestic private funds, the investment strategy is stated in the trust deed except for securities credit transactions and holdings that do not have securities related commodities written off, the investment scope of the rest is the same as that of the public offering of fund.</p> <p>2. The acquisition or disposal of securities by investment professionals, if a securities evaluation model and system have been established and use appropriate models or statistical methods to estimate the value, it is exempted from the requirement of this article to express opinions on the rationality of the transaction price with the accountant.</p> <p>3. Authorized amount and level</p> <p>(1) Acquired or disposed of securities that have been traded on a stock exchange or at the business premises of a securities firm; If the transaction amount is less than NT\$50 million (inclusive), it shall be signed and submitted to the general manager for approval. If the transaction amount exceeds NT\$50 million, it shall be approved by the board of directors.</p> <p>(2) Acquire or dispose of securities that are not traded on a stock exchange or at the business premises of a securities firm; It must be approved by the board of directors. However, the board of directors may authorize the chairman to make a decision within NT\$20 million and report it to the board of directors for ratification afterwards.</p> <p>4. Perform unit</p> <p>The financial unit shall be</p>	<p>of paragraph 1, article 11 of the securities investment trust and advisory act, those who purchase domestic private funds before the establishment of the fund, or purchase or repurchase domestic private funds, the investment strategy is stated in the trust deed except for securities credit transactions and holdings that do not have securities related commodities written off, the investment scope of the rest is the same as that of the public offering of fund.</p> <p>2. The acquisition or disposal of securities by investment professionals, if a securities evaluation model and system have been established and use appropriate models or statistical methods to estimate the value, it is exempted from the requirement of this article to express opinions on the rationality of the transaction price with the accountant.</p> <p>3. Authorized amount and level</p> <p>(1) Acquired or disposed of securities that have been traded on a stock exchange or at the business premises of a securities firm; If the transaction amount is less than NT\$50 million (inclusive), it shall be signed and submitted to the general manager for approval. If the transaction amount exceeds NT\$50 million, it shall be approved by the board of directors.</p> <p>(2) Acquire or dispose of securities that are not traded on a stock exchange or at the business premises of a securities firm; It must be approved by the board of directors. However, the board of directors may authorize the chairman to make a decision within NT\$20 million and report it to the board of directors for ratification afterwards.</p> <p>4. Perform unit</p> <p>The financial unit shall be responsible</p>	
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	<p>responsible for the acquisition and disposal of securities investment by the company.</p> <p>5. Transaction process</p> <p>The trading process of the company's acquisition or disposal of negotiable securities is conducted in accordance with the provisions of the company's internal control system on investment cycle.</p>	<p>for the acquisition and disposal of securities investment by the company.</p> <p>5. Transaction process</p> <p>The trading process of the company's acquisition or disposal of negotiable securities is conducted in accordance with the provisions of the company's internal control system on investment cycle.</p>	
Article 8	<p>Acquisition or disposal of real estate, equipment or assets of their right to use assessment and operating procedures.</p> <p>1. Price decision method and reference basis</p> <p>The acquisition or disposal of immovable property, equipment or its right to use assets shall be signed and explained by the original using unit or the relevant right and responsibility unit. The asset management unit refers to the present value of the announcement, the assessed value, the actual transaction price of the adjacent real estate, the recent transaction price of similar assets, etc. Price comparison, bargaining or bidding method to choose one.</p> <p>2. The commission asks the expert to issue the appraisal report</p> <p>Acquisition or disposal of real property, equipment or assets to which it is used,</p> <p>In addition to dealing with domestic government agencies, own land commissioned building or leased land commissioned building, or acquiring or disposing equipment or its use right assets for business use. If the transaction amount reaches 20% of the company's paid-in capital or more than NT\$300 million, the company shall obtain the appraisal report issued by the professional appraiser prior to the occurrence of the fact and comply with the following provisions:</p> <p>(1) When a fixed price, specific price or special price is required for special reasons as the reference basis for the transaction price, the</p>	<p>Acquisition or disposal of real estate, equipment or assets of their right to use assessment and operating procedures.</p> <p>1. Price decision method and reference basis</p> <p>The acquisition or disposal of immovable property, equipment or its right to use assets shall be signed and explained by the original using unit or the relevant right and responsibility unit. The asset management unit refers to the present value of the announcement, the assessed value, the actual transaction price of the adjacent real estate, the recent transaction price of similar assets, etc. Price comparison, bargaining or bidding method to choose one.</p> <p>2. The commission asks the expert to issue the appraisal report</p> <p>Acquisition or disposal of real property, equipment or assets to which it is used,</p> <p>In addition to dealing with domestic government agencies, own land commissioned building or leased land commissioned building, or acquiring or disposing equipment or its use right assets for business use. If the transaction amount reaches 20% of the company's paid-in capital or more than NT\$300 million, the company shall obtain the appraisal report issued by the professional appraiser prior to the occurrence of the fact and comply with the following provisions:</p> <p>(1) When a fixed price, specific price or special price is required for special reasons as the reference basis for the transaction price, the</p>	

	<p>transaction shall be submitted to the board of directors for approval. The same shall apply to any subsequent change in the terms of the transaction.</p> <p>(2) If the transaction value is NT\$1 billion or higher, appraisal reports should be obtained from at least two specialist appraisal firms.</p> <p>(3) If either of the following applies to the appraisal report obtained from the specialist appraisal firm, 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, an accountant should be asked to <u>handle the matter in accordance with the provisions of Statement of Financial and Accounting Standards No. 20 issued by the Accounting Research and Development Foundation</u>, and to give an opinion regarding the reasons for the disparity and the acceptability of the transaction price:</p> <p>A.If the disparity between the appraisal result and the actual transaction price is 20% or higher.</p> <p>B.If the disparity between the appraisal reports obtained from two or more appraisal firms and the actual transaction price is 20% or higher.</p> <p>(4) The contract date may not be more than three months later than the date on which the appraisal report was issued by the professor appraiser. If, however, the same publicly announced land value continues to apply, then the original appraisal firm may submit an opinion, provided that not more than six months have elapsed.</p>	<p>transaction shall be submitted to the board of directors for approval. The same shall apply to any subsequent change in the terms of the transaction.</p> <p>(2) If the transaction value is NT\$1 billion or higher, appraisal reports should be obtained from at least two specialist appraisal firms.</p> <p>(3) If either of the following applies to the appraisal report obtained from the specialist appraisal firm, 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, an accountant should be asked to give an opinion regarding the reasons for the disparity and the acceptability of the transaction price:</p> <p>A.If the disparity between the appraisal result and the actual transaction price is 20% or higher.</p> <p>B.If the disparity between the appraisal reports obtained from two or more appraisal firms and the actual transaction price is 20% or higher.</p> <p>(4) The contract date may not be more than three months later than the date on which the appraisal report was issued by the professor appraiser. If, however, the same publicly announced land value continues to apply, then the original appraisal firm may submit an opinion, provided that not more than six months have elapsed.</p>	
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	<p>3. Authorized amount and level The acquisition or disposal of immovable property, equipment or the right to use assets with the transaction amount less than NT\$20 million (including).It must be signed and submitted by the companyand submitted to the chairman for approval. If the transaction amount reaches 20% of the paid-in capital or more than NT\$20 million, it shall be approved by the board of directors.</p> <p>4. Perform unit For the acquisition and disposal of immovable property, equipment or the right to use the assets of the company, the executing unit shall be the using department and the relevant authority and responsibility unit.</p> <p>5. Transaction process The transaction procedures for the acquisition or disposal by the company of real estate, equipment or its usufruct, According to the company's internal control system fixed assets cycle related operations.</p>	<p>3. Authorized amount and level The acquisition or disposal of immovable property, equipment or the right to use assets with the transaction amount less than NT\$20 million (including).It must be signed and submitted by the companyand submitted to the chairman for approval. If the transaction amount reaches 20% of the paid-in capital or more than NT\$20 million, it shall be approved by the board of directors.</p> <p>4. Perform unit For the acquisition and disposal of immovable property, equipment or the right to use the assets of the company, the executing unit shall be the using department and the relevant authority and responsibility unit.</p> <p>5. Transaction process The transaction procedures for the acquisition or disposal by the company of real estate, equipment or its usufruct, According to the company's internal control system fixed assets cycle related operations.</p>	
Article 9	<p>Evaluation and operating procedures for acquiring or disposing intangible assets or their use right assets or membership cards</p> <p>1. Price decision method and reference basis The acquisition or disposal of intangible assets or their use right assets or membership cards shall take into consideration the possible future benefits and fair market value of such assets. When necessary and with reference to expert opinions, negotiate with the counterpart of the transaction.</p> <p>2. Entrust experts to issue opinions The acquisition or disposing intangible assets or their right to use assets or membership cards with the transaction amount of 20% of the company's paid-in capital or more than NT\$300 million, in addition to dealing with government institutions, should be asked to give their opinion as to whether the transaction price is acceptable. <u>The accountant should</u></p>	<p>Evaluation and operating procedures for acquiring or disposing intangible assets or their use right assets or membership cards</p> <p>1. Price decision method and reference basis The acquisition or disposal of intangible assets or their use right assets or membership cards shall take into consideration the possible future benefits and fair market value of such assets. When necessary and with reference to expert opinions, negotiate with the counterpart of the transaction.</p> <p>2. Entrust experts to issue opinions The acquisition or disposing intangible assets or their right to use assets or membership cards with the transaction amount of 20% of the company's paid-in capital or more than NT\$300 million, in addition to dealing with government institutions, should be asked to give their opinion as to whether the transaction price is acceptable.</p>	

	<p><u>handle the matter in accordance with the provisions of Statement of Financial and Accounting Standards No. 20 issued by the Accounting Research and Development Foundation.</u></p> <p>3. Authorized amount and level</p> <p>(1) If a membership card is acquisitioned or disposed of and the transaction amount is less than NT\$3 million (including), it must be signed and submitted to the general manager for approval. If the transaction amount exceeds NT\$3 million, it shall be approved by the board of directors.</p> <p>(2) To acquire or dispose of intangible assets or their use right assets with the transaction amount less than NT\$20 million (inclusive), It shall be signed and submitted by the company and submitted to the Chairman of board of directors for approval, and shall be submitted to the latest board of directors; If the transaction amount exceeds NT\$20 million, it shall be approved by the board of directors.</p> <p>4. Perform unit</p> <p>The company's intangible assets or the right to use the assets or membership cards to obtain and dispose of the operation, the implementation of the units are financial units, management units and related rights and responsibilities.</p> <p>5. Transaction process</p> <p>The transaction process of acquisitioning or disposing intangible assets or the right to use assets or membership cards of the company shall be handled in accordance with the provisions of the fixed assets circulation of the company's internal control system.</p>	<p>3. Authorized amount and level</p> <p>(1) If a membership card is acquisitioned or disposed of and the transaction amount is less than NT\$3 million (including), it must be signed and submitted to the general manager for approval. If the transaction amount exceeds NT\$3 million, it shall be approved by the board of directors.</p> <p>(2) To acquire or dispose of intangible assets or their use right assets with the transaction amount less than NT\$20 million (inclusive), It shall be signed and submitted by the company and submitted to the Chairman of board of directors for approval, and shall be submitted to the latest board of directors; If the transaction amount exceeds NT\$20 million, it shall be approved by the board of directors.</p> <p>4. Perform unit</p> <p>The company's intangible assets or the right to use the assets or membership cards to obtain and dispose of the operation, the implementation of the units are financial units, management units and related rights and responsibilities.</p> <p>5. Transaction process</p> <p>The transaction process of acquisitioning or disposing intangible assets or the right to use assets or membership cards of the company shall be handled in accordance with the provisions of the fixed assets circulation of the company's internal control system.</p>	
Article 11	Assessment and operational procedures for obtaining or disposing of real property or other assets of the right or real property or its right-of-use assets	Assessment and operational procedures for obtaining or disposing of real property or other assets of the right or real property or its right-of-use assets from the related	

	<p>from the related party.</p> <p>1. When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions shall be obtained in accordance with article 8.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 12 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof 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 domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the</p>	<p>party.</p> <p>1. When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions shall be obtained in accordance with article 8.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 12 herein.</p> <p>When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.</p> <p>2. When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof 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 domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the</p>	
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	<p>related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph 3 and 4 in this article.</p> <p>(4) 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>(5) 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>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with paragraph 1.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p><u>The calculation of the transaction amounts referred to in the paragraph shall be made in accordance of paragraph 1 (7) and (8) of article 14, 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 need not be counted toward the transaction amount.</u></p> <p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to</p>	<p>related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph 3 and 4 in this article.</p> <p>(4) 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>(5) 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>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with paragraph 1.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to</p>	
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	<p>Article 8, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>If the company has an independent director has been created in accordance, When submitted to the board for discussion in accordance with this paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>The company has set up an audit committee, the matters for this paragraph requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p>	<p>Article 8, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>If the company has an independent director has been created in accordance, When submitted to the board for discussion in accordance with this paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>The company has set up an audit committee, the matters for this paragraph requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.</p> <p><u>If the company or its non-domestic subsidiary has the first transaction, and the transaction amount is more than 10% of the company's total assets, the company shall submit the materials listed in the first paragraph to the shareholders' meeting for approval before proceeding. A transaction contract must be signed and payment made. However, the transaction between the company and its parent company, subsidiaries, or its subsidiaries is not limited to this.</u></p> <p><u>The calculation of the transaction amount in the first paragraph and the preceding paragraph shall be made in accordance of paragraph 1 (7) and (8)</u></p>	
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		<p>of article 14, 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 need not be counted toward the transaction amount.</p>	
	<p>3. Reasonable evaluation of transaction costs</p> <p>(1) The company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>A. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>B. 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% 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</p>	<p>3. Reasonable evaluation of transaction costs</p> <p>(1) The company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:</p> <p>A. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>B. 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% 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</p>	

	<p>counterparties.</p> <p>(2) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the paragraph (A).</p> <p>(3) The company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the paragraphs (1) and (2) shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(4) Where the company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition Shall be handled in accordance with the provisions of paragraph 2, item 1 of this article, and the preceding (1)~(3) paragraphs do not apply:</p> <p>A. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</p> <p>B. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</p> <p>C. 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</p>	<p>counterparties.</p> <p>(2) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the paragraph (A).</p> <p>(3) The company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the paragraphs (1) and (2) shall also engage a CPA to check the appraisal and render a specific opinion.</p> <p>(4) Where the company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition Shall be handled in accordance with the provisions of paragraph 2, item 1 of this article, and the preceding (1)~(3) paragraphs do not apply:</p> <p>A. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.</p> <p>B. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.</p> <p>C. 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</p>	
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	<p>rented land.</p> <p>D. The real property right-of-use assets for business use are acquired by the company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.</p> <p>4. When the results of the company's appraisal conducted In accordance with the preceding paragraph (1) and (2) of the preceding Article are uniformly lower than the transaction price, it shall be handled in accordance with paragraph 5 of paragraph 1 of this article.. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>A. 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</p>	<p>rented land.</p> <p>D. The real property right-of-use assets for business use are acquired by the company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.</p> <p>4. When the results of the company's appraisal conducted In accordance with the preceding paragraph (1) and (2) of the preceding Article are uniformly lower than the transaction price, it shall be handled in accordance with paragraph 5 of paragraph 1 of this article.. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>A. 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</p>	
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	<p>construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>(2) Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p>	<p>Ministry of Finance, whichever is lower.</p> <p>B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>(2) Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions involving neighboring or closely valued parcels of land in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.</p>	
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	<p>5. Where the company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two paragraphs are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>(1) 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. Where the company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the company's equity stake in the other company.</p> <p>(2) Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Securities and Exchange Act, the preceding part of this item shall apply mutatis mutandis to the independent director members of the audit committee.</p> <p>(3) Actions taken pursuant to the preceding (1) and (2) shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>6. The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a</p>	<p>5. Where the company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two paragraphs are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>(1) 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. Where the company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the company's equity stake in the other company.</p> <p>(2) Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Securities and Exchange Act, the preceding part of this item shall apply mutatis mutandis to the independent director members of the audit committee.</p> <p>(3) Actions taken pursuant to the preceding (1) and (2) shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>6. The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a</p>	
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	<p>premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Securities authority has given its consent.</p> <p>When the company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the provisions of paragraph 5 shall apply if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	<p>premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Securities authority has given its consent.</p> <p>When the company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the provisions of paragraph 5 shall apply if there is other evidence indicating that the acquisition was not an arms length transaction.</p>	
Article 14	<p>Announcement procedure</p> <p>1. Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the Securities authority 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>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate</p>	<p>Announcement procedure</p> <p>1. Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the Securities authority 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>(1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(2) Merger, demerger, acquisition, or transfer of shares.</p> <p>(3) Losses from derivatives trading reaching the limits on aggregate</p>	

	<p>losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria :</p> <p>A.For the company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B.For the company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding (1)~(2) subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances :</p> <p>A.Trading of domestic government bonds.</p>	<p>losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>(4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria :</p> <p>A.For the company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B.For the company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>(5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>(6) Where an asset transaction other than any of those referred to in the preceding (1)~(2) subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances :</p> <p>A.Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than my country's sovereign rating.</u></p>	
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	<p>B. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>C. 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>(7) The amount of transactions above shall be calculated as follows :</p> <p>A. The amount of any individual transaction.</p> <p>B. 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>C. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>D. The cumulative transaction</p>	<p>B. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign public debt</u> or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or to purchase or sell back index investment securities</u>, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>C. 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>(7) The amount of transactions above shall be calculated as follows :</p> <p>A. The amount of any individual transaction.</p> <p>B. 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>C. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>D. The cumulative transaction</p>	
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	<p>amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>(8) "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Part that has been announced in accordance with the provisions shall not be included in the transaction amount.</p> <p>2. The company shall compile monthly reports on 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>3. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>4. 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>5. Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the Securities authority</p>	<p>amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>(8) "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Part that has been announced in accordance with the provisions shall not be included in the transaction amount.</p> <p>2. The company shall compile monthly reports on 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>3. When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>4. 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>5. Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the Securities authority</p>	
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	<p>within 2 days counting inclusively from the date of occurrence of the event :</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported information.</p> <p>6. Where a subsidiary of the company is not a domestic public offering company, if the assets acquired or disposed of reach the standards required by this article, the company shall handle the matters of announcement and declaration on its behalf. Where applicable, the subsidiary shall announce the provisions on paid-in capital or total assets of the reporting standards, the company's paid-in capital or total assets shall prevail.</p>	<p>within 2 days counting inclusively from the date of occurrence of the event :</p> <p>(1) Change, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.</p> <p>(3) Change to the originally publicly announced and reported information.</p> <p>6. Where a subsidiary of the company is not a domestic public offering company, if the assets acquired or disposed of reach the standards required by this article, the company shall handle the matters of announcement and declaration on its behalf. Where applicable, the subsidiary shall announce the provisions on paid-in capital or total assets of the reporting standards, the company's paid-in capital or total assets shall prevail.</p>	
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● Annex 7

**Unifosa Corp.**

**The Board of Directors nominated the list of candidates for the 2022 General Meeting of Shareholders**

Director Category	Name of nominated candidate	Education	Experience	Other Position	Reasons for Continuing to Nominate Independent Directors for Three Consecutive Terms	Shares
Director	Chen, Ching-jong	Tamkang University Department of Electronic Engineering	CLEVO business manager	<ul style="list-style-type: none"> <li>• Chairman of the Company</li> <li>• General Manager of the Company</li> <li>• General Manager of the company's memory business group</li> <li>• Head of Phoenix Innovative Materials Co., Ltd.</li> <li>• Legal person director representative of Foresight Energy Technologies CO.,LTD.</li> <li>• Legal person director representative of Morelink Technology Corporation</li> </ul>	Not Applicable	187,092
Director	Trump Gain Investments Ltd	Not Applicable	Legal person director representative of Unictron Technologies Corporation	<ul style="list-style-type: none"> <li>• Legal person director representative of the Company</li> <li>• Legal person director representative of HGiga</li> </ul>	Not Applicable	10,025,533
Director	Chiang, Tsang-An	National Chiao Tung University Electrophysics	United Microelectronics Corporation Marketing Manager	<ul style="list-style-type: none"> <li>• Director of the company</li> <li>• Chairman and General Manager of Princeton Technology Corp.</li> <li>• Chairman of Princeton Technology (Shenzhen) Corp.</li> <li>• Chairman of Princeton Technology (Chengdu) Corp.</li> <li>• Chairman of Chengdu Chip-Rail Microelectronics CO.,LTD.</li> <li>• Chairman of Cheng Yi Investment Co., Ltd.</li> <li>• Chairman of Princeton Silicon Inc.</li> </ul>	Not Applicable	577,290

				<ul style="list-style-type: none"> <li>• Chairman of Quntong Management Consulting Co., Ltd.</li> <li>• Chairman of MoreLink Technology Corporation</li> <li>• Chairman of Foresight Energy Technologies</li> <li>• Chairman of SIPP Technology Corporation</li> <li>• Chairman of Silian CO.,LTD.</li> <li>• Director of Taiwan Commate Computer Inc.</li> <li>• Director of TC-1 Culture Fund</li> <li>• Supervisor of Innorich Venture Capital Corp.</li> <li>• Legal person director representative of Phoenix Innovative Materials Co., Ltd</li> </ul>		
Director	Hsiao, Wu-Hsing	Chung Yuan Christian University Department of Information	Deputy General Manager of DATAWORLD INT'L CORP.	<ul style="list-style-type: none"> <li>• General Manager of the company's storage business group</li> <li>• Legal person director representative of Princeton Technology Corp.</li> <li>• Legal person director representative of Morelink Technology Corporation</li> </ul>	Not Applicable	826,453
Independent Director	Chen, Chih-Ling	<ul style="list-style-type: none"> <li>• National Chengchi University Master of Accounting</li> <li>• College entrance examination accountant pass</li> <li>• Taiwan Securities Analyst</li> </ul>	Researcher of Accounting Research and Development Foundation	<ul style="list-style-type: none"> <li>• Chairman of the Audit Committee of the Company</li> <li>• Member of remuneration committee of the Company</li> <li>• Supervisor of G&amp;B BREWERY DEVELOPMENT(ASIA) CORP.</li> <li>• Supervisor of SmartAnt Telecom CO.,LTD.</li> <li>• Supervisor of HC Photonics Corp.</li> <li>• Independent Director of MAYER STEEL PIPE CORPORATION</li> <li>• NEXIA Sun Rise CPAs &amp; Co. partnership accountant</li> </ul>	Not Applicable	0

Independent Director	Lee, Wen-Chin	National Chiao Tung University Electrophysics	<ul style="list-style-type: none"> <li>• Senior Vice President of Telefonaktiebolaget LM Ericsson</li> <li>• Chief Operating Officer of AT Telecom CORP.</li> <li>• Vice President of Taiwan Fixed Network</li> <li>• Chief Advisert of ARCOA Communication CO., LTD.</li> <li>• General manager of ARCOA Communication CO., LTD.</li> <li>• Executive Vice President of VIBO Telecom</li> <li>• Chief Operating Officer of Asia Pacific Telecom</li> </ul>	<ul style="list-style-type: none"> <li>• Chairman of remuneration committee of the Company</li> <li>• Member of the Audit Committee of the Company</li> </ul>	Considering that Mr. Lee, Wen-Chin profound professionalism and operational management experience in the technology industry and telecommunication field enable him to exert his expertise, supervise and provide professional advice to the board of directors when exercising his duties as an independent director, he intends to continue to nominate for this election. Mr. Lee, Wen-Chin serves as an independent director of the Company.	0
Independent Director	Yo, Chi-Thon	<ul style="list-style-type: none"> <li>• Doctor of Laws, Tulane University</li> <li>• Lawyer of the Republic of China</li> <li>• Washington Attorney</li> </ul>	<ul style="list-style-type: none"> <li>• Attorney at the Federal Court of Northern California</li> <li>• Lawyer of the International Trade Court of New York</li> <li>• Attorney at the U.S. Patent and Intellectual Circuit</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Audit Committee of the Company</li> <li>• Member of remuneration committee of the Company</li> <li>• Leading lawyer of Dr Yo' s international Litigation Law Firm</li> </ul>	Considering that Mr. Yo, Chi-Thon has profound professional and academic quality in international law, he made important contributions to the operation of the board of directors and legal protection of the company when he performed his duties as an independent director, and his independence and objective status in exercising his powers and supervising the	0

					<p>operation of the company were not affected. Therefore, in this election, it is planned to continue to nominate Mr. Yo, Chi-Thon as an independent director of the Company.</p>	
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## Unifosa Corp. 11th new directors lift non-compete content

New directors	Lift non-compete content	Competitive content (Main business items)
Chen, Ching-jong	Head of Phoenix Innovative Materials Co., Ltd.	The company is a subsidiary invested by the company. It is a non-woven fabric, other textile and product manufacturing, synthetic resin and plastic manufacturing, rayon manufacturing, other chemical material manufacturing, plastic film, bag manufacturing, and reinforced plastic product manufacturing. manufacturing, other plastic products manufacturing, pollution prevention equipment manufacturing, unclassified other industrial product manufacturing, daily necessities wholesale, chemical raw material wholesale, cosmetic wholesale, pollution prevention equipment wholesale, chemical raw material retail, cosmetic retail , Pollution prevention and control equipment retailing.
	Legal person director representative of Foresight Energy Technologies CO.,LTD.	The company develops, designs, produces and sells resin microporous membranes, and is involved in the manufacturing of electronic components, batteries, and the wholesale and retail of electrical appliances and electronic materials.
	Legal person director representative of Morelink Technology Corporation	The company belongs to the manufacturing of wireless communication machinery and electronic components, the wholesale and retail of telecommunications equipment and electronic materials, and the import of telecommunications controlled radio frequency equipment.
Chiang, Tsang-An	Chairman and General Manager of Princeton Technology Corp.	The company is engaged in the design and manufacture of IC (integrated circuits) and industrial automation control systems, as well as the manufacture and trading of computers and peripheral equipment, electronic instruments and their components.
	Chairman of Princeton Technology (Shenzhen) Corp.	The company is engaged in the design and manufacture of IC (integrated circuits) and industrial automation control systems, as well as the manufacture and trading of computers and peripheral equipment, electronic instruments and their components.
	Chairman of Princeton Technology (Chengdu) Corp.	The company provides integrated circuit design and software design, technology transfer, technical consultation, after-sales technical services; design, development and wholesale of electronic system modules; integrated circuit products and electronic products wholesale and

		import and export related supporting services.
	<b>Chairman of Chengdu Chip-Rail Microelectronics CO.,LTD.</b>	The company produces and sells integrated circuit design and system products; development, production and sales of electronic products; development and sales of computer software and hardware; integrated circuit technology transfer, technical services, and technical consultation.
	<b>Chairman of Cheng Yi Investment Co., Ltd.</b>	The company is in the general investment business.
	<b>Chairman of Princeton Silicon Inc.</b>	The company is a company that invests in businesses in mainland China.
	<b>Chairman of Quntong Management Consulting Co., Ltd.</b>	The company belongs to the investment consulting industry, the business management consulting industry and the venture capital management consulting industry.
	<b>Chairman of MoreLink Technology Corporation</b>	The company belongs to the manufacturing of wireless communication machinery and electronic components, the wholesale and retail of telecommunications equipment and electronic materials, and the import of telecommunications controlled radio frequency equipment.
	<b>Chairman of Foresight Energy Technologies</b>	The company develops, designs, produces and sells resin microporous membranes, and is involved in the manufacturing of electronic components, batteries, and the wholesale and retail of electrical appliances and electronic materials.
	<b>Chairman of SIPP Technology Corporation</b>	The company belongs to the information software service industry, electronic information supply service industry, product design industry, research and development service industry, management system verification industry, other comprehensive retail industry, intellectual property rights industry, industry development industry, investment consulting industry, management consulting industry and others Consulting services.
	<b>Chairman of Silian CO.,LTD.</b>	The company belongs to the wholesale of food and grocery, cloth, clothing, shoes, hats, umbrellas, apparel wholesale, food and beverages, retail of beverages, international trade, intellectual property rights, investment consulting, management consulting, information Software service industry, electronic information supply service industry, product design industry, management system verification industry, sports training industry.
	<b>Director of Taiwan Commate Computer Inc.</b>	The company belongs to the data storage and processing equipment manufacturing industry, the transactional machinery equipment wholesale industry and the manufacturing



		output industry.
	Director of TC-1 Culture Fund	The company belongs to the venture capital industry.
	Supervisor of Innorich Venture Capital Corp.	The company belongs to the venture capital industry.
	Legal person director representative of Phoenix Innovative Materials Co., Ltd	The company is a subsidiary invested by the company. It is a non-woven fabric, other textile and product manufacturing, synthetic resin and plastic manufacturing, rayon manufacturing, other chemical material manufacturing, plastic film, bag manufacturing, and reinforced plastic product manufacturing. manufacturing, other plastic products manufacturing, pollution prevention equipment manufacturing, unclassified other industrial product manufacturing, daily necessities wholesale, chemical raw material wholesale, cosmetic wholesale, pollution prevention equipment wholesale, chemical raw material retail, cosmetic retail , Pollution prevention and control equipment retailing.
Trump Gain Investments Ltd	Legal person director representative of HGiga	The company is an information security system manufacturer, positioned as a total solution provider (Total Solution Provider), with accumulated product knowledge and service mechanism, combined with information system hardware integration and development.
Trump Gain Investments Ltd Representative : Wu, Cheng-Teh	Head of Trump Gain Investments Ltd	The company is in the general investment business.
Hsiao, Wu-Hsing	Legal person director representative of Princeton Technology Corp.	The company is engaged in the design and manufacture of IC (integrated circuits) and industrial automation control systems, as well as the manufacture and trading of computers and peripheral equipment, electronic instruments and their components.
	Legal person director representative of Morelink Technology Corporation	The company belongs to the manufacturing of wireless communication machinery and electronic components, the wholesale and retail of telecommunications equipment and electronic materials, and the import of telecommunications controlled radio frequency equipment.

## ● Appendices 1

### **Unifosa CORP. Articles of Incorporation Chapter I General Provisions**

- Article 1 The Company, organized under the Company Act as a Company limited by shares, and shall be named Unifosa CORP. (hereinafter, “the Company”).
- Article 2 The Company’s scope of business is as follows:  
001 CB01020 Office Machines Manufacturing  
002 CC01060 Wired Communication Equipment and Apparatus Manufacturing  
003 CC01070 Telecommunication Equipment and Apparatus Manufacturing  
004 CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing  
005 CC01080 Electronic Parts and Components Manufacturing  
006 CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing  
007 CC01110 Computers and Computing Peripheral Equipments Manufacturing  
008 CE01030 Photographic and Optical Equipment Manufacturing  
009 E605010 Computing Equipments Installation Construction  
010 E701030 Restrained Telecom Radio Frequency Equipments and Materials Construction  
011 E701040 Basic Telecommunications Equipment Construction  
012 F113050 Wholesale of Computing and Business Machinery Equipment  
013 F113070 Wholesale of Telecom Instruments  
014 F114030 Wholesale of Motor Vehicle Parts and Supplies  
015 F116010 Wholesale of Photographic Equipment  
016 F118010 Wholesale of Computer Software  
F17 F119010 Wholesale of Electronic Materials  
018 F213030 Retail sale of Computing and Business Machinery Equipment  
019 F213060 Retail Sale of Telecom Instruments  
020 F214030 Retail Sale of Motor Vehicle Parts and Supplies  
021 F216010 Retail Sale of Photographic Equipment  
022 F218010 Retail Sale of Computer Software  
023 F219010 Retail Sale of Electronic Materials  
024 F401010 International Trade  
025 F401021 Restrained Telecom Radio Frequency Equipments and Materials Import  
026 F601010 Intellectual Property  
027 I199990 Other Consultancy  
028 I301010 Software Design Services  
029 I501010 Product Designing  
030 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 Taipei City, Taiwan and when necessary may establish branches or subsidiaries at home and abroad according to resolutions by the board of directors.
- Article 4 Deleted

### **Chapter II Shares**

- Article 5 The authorized capital of the Company is NT\$2 billion, consisting of 200 million shares, all of common stock, with a par value of NT\$10 per share. The shares in separate installments as required. Of which NT\$30 million are consisting of 3 million shares, reserved to served as subscription warrants for employees.

- Article 6 The total amount of the re-investment of the company shall not be subject to the restriction of article 13 of the company law that the re-investment shall not exceed 40% of the paid-in share capital. The board of directors shall be authorized to make operational decisions on the reinvestment.
- Article 7 The share certificates of the Company shall without exception be in registered form, signed by, or affixed with the seals of, at least three directors, and authenticated by the competent governmental authority upon issuance.  
Shares issued by the Company need not be in certificate form. However the Company shall request the securities central depository institution for custody or registration of the certificates issued.
- Article 7-1 Deleted
- Article 8 When the shares are transferred, the assignor and assignee shall fill in the application form, sign and seal the delivery, and send the company to apply for transfer of ownership. Prior to the completion of the transfer procedures, the transfer shall not be against the company.
- Article 9 The handling of the company's stock affairs shall be conducted in accordance with the company law and the " Regulations Governing the Administration of Shareholder Services of Public Companies " promulgated by the competent authority.
- Article 10 Transfer of shares shall be suspended within 60 days before any general shareholders' meeting, within 30 days before any special shareholders' meeting, and within five days before the base date on which dividends, bonuses or other interest are scheduled to be paid by the Company.

### **Chapter III**

#### **Shareholders' Meeting**

- Article 11 The shareholders' meeting of the company is divided into the following two types:
1. The regular meeting of shareholders shall be convened within six months after the end of each fiscal year.
  2. Extraordinary shareholders meetings may be called in accordance and whenever necessary.
- Article 12 The shareholders' meeting shall be convened .The meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair, the shareholders' meeting shall be convened by others who have the right to convene a meeting and he or she shall be the chairman. If there is more than one person with the rights to convene a shareholders' meeting, they shall nominate a chairman from among themselves.
- Article 13 Thirty days before the convening of the regular shareholders meeting or 15 days before the convening of a extraordinary shareholders meeting. Inform all shareholders of the date, place and call of the meeting.
- Article 14 If the shareholder is unable to attend the shareholders' meeting for any reason, and entrusts an agent to attend the meeting, the entrustment letter issued by the company shall be issued, specifying the scope of authorization and entrusting an agent to attend the meeting.
- Article 15 Each shareholder of the Company is entitled to one vote per share, unless otherwise provided

by applicable law or regulation.

Article 16 Except as otherwise provided by Company Act or relevant regulations, no resolution shall be adopted at a shareholders' meeting unless it is attended by shareholders holding and representing over one-half of all issued and outstanding shares and at which meeting over one-half of the votes held by shareholders present cast in favor of such resolution.

Article 16-1 Resolutions of the shareholders' meeting shall be made into a recorded, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The distribution of the aforesaid minutes may be made by way of public announcement.  
The minutes shall record the year, month, day, place of the meeting, name of the chairman, method of resolution, main points and results of the discussion, and shall be kept permanently during the existence of the company.

#### **Chapter IV**

##### **Board of Directors**

Article 17 The Company shall have seven to nine directors, with three-year office term. The board of shareholders shall elect any person who has the capacity to act and may continue in office if re-elected.

Directors are elected and appointed by the shareholders' meeting from candidates in accordance with the candidate nomination system.

Article 17-1 Pursuant to Article 183 of the Securities and Exchange Act, the Company's board of directors shall include three independent directors, independent directors are elected and appointed by the shareholders' meeting from candidates in accordance with the candidate nomination system. Their professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall follow the regulation of the competent authority in charge of securities affairs.

Article 17-2 Pursuant to Article 14-4 of the Securities and Exchange Act, the audit committee shall be composed of all independent directors and shall be responsible for the enforcement of the functions and powers of the supervisors as stipulated in the company law, the securities and exchange act and other laws.

The audit committee shall include at least one independent director with accounting or finance and one of the directors shall serve as the convenor.

The resolution of the audit committee shall be approved by more than half of the members.

Article 18 The board of directors shall be organized by the directors with the following functions and powers:

1. Manufacturing business plan.
2. Propose profit distribution or a plan for recovery of losses.
3. Propose to increase or decrease Company capital.
4. Set up important rules and Company organizational structures.
5. To appoint and remove the general manager and manager of the company.
6. Establishment and termination of branches.
7. To formulate budgets and final accounts.
8. Other functions and powers assigned according to the company law or resolutions of the board of shareholders.

Article 19 The board of directors shall consist of the directors of the Company; the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance

- at a meeting attended by at least two-thirds of the directors. The chairman of the board of directors shall represent the Company in external matters.
- Article 20 Unless otherwise provided for in the company law, the board of directors shall be convened by the chairman. Except as otherwise provided in the company law, a majority of the directors shall be present at the resolution of the board of directors, it shall be executed with the consent of more than half of the directors present. When the board of directors meets, if the meeting is held by video conference, the directors who attend the meeting by video conference shall be deemed to attend the meeting in person.
- Article 21 The chairman is the chairman of the board. If the chairman is on leave or cannot exercise his/her functions and powers for any reason, he/she shall appoint one director to act for him/her. If the chairman of the board of directors has not appointed an agent, where directors elect one representative from each other, the director shall attend the board of directors in person, if the director is unable to attend for any reason, other directors shall be appointed as be appointed as entrust. The agent referred to in the preceding paragraph shall be entrusted by only one person.
- Article 22 Deleted
- Article 22-1 Deleted
- Article 23 Remuneration of the directors of the company authorizes the board of directors to agree to pay according to the director's participation in the company's operations and the value of his contribution to the company's operations, as well as the normal level of the industry.
- Article 23-1 The company shall purchase liability insurance for directors.
- Article 24 The company shall have one general manager. The appointment and removal of the general manager shall be approved by more than half of the directors.
- Article 25 The general manager shall preside over the business of the company in accordance with the resolutions of the board of directors.

## **Chapter V Accounting**

- Article 26 The company fiscal year is from January 1st to December 31st each year. The final accounts shall be handled at the end of each year.
- Article 27 The company shall, at the end of each fiscal year in accordance with article 228 of the company law, the following tables shall be prepared by the board of directors, it shall be submitted to the audit committee for examination 30 days before the regular meeting of shareholders, and the audit committee shall issue a report and submit it to the regular meeting of shareholders for approval.
1. the business report;
  2. the financial statements; and
  3. the surplus earning distribution or loss off-setting proposals.
- Article 28 The distribution of dividends and bonuses shall be subject to the proportion of shares held by each shareholder. No dividend or bonus shall be distributed when the company has no surplus.
- Article 29 The company shall allocate 5% to 15% of the annual profits for employees and no more than 2% for directors. Employees may be paid in stock or cash to include employees of affiliated

companies who meet certain conditions, such conditions shall be prescribed by the chairman.

Article 29-1 If there is any surplus in the company's annual final accounts, 10% of the company's legal surplus reserves shall be allocated in addition to the taxes paid and the losses made in previous years. However, if the legal surplus reserve has reached the amount of paid-in capital of the company, it shall not be subject to this limitation, if there is a balance, and the undistributed surplus accumulated in the previous period is added to the balance, the surplus may be retained and distributed separately in the following year, the board of directors shall draw up a proposal for surplus distribution according to the company's dividend policy and submit it to the shareholders' meeting for resolution.

## **Chapter VI Accounting**

Article 30 Deleted

Article 31 The company may engage in external assurance business in accordance with government regulations.

Article 32 The company's organizational rules and regulations are separately stipulated.

Article 33 Any matters not sufficiently provided for in these Articles of Incorporation shall be handled in accordance with the Company Act.

Article 34 These Articles of Incorporation were enacted on May 6, 1994.

The 1st amendment was made on March 16, 1995.

The 2nd amendment was made on September 15, 1995.

The 3rd amendment was made on July 29, 1996.

The 4th amendment was made on August 9, 1996.

The 5th amendment was made on December 1, 1997.

The 6th amendment was made on March 30, 1998.

The 7th amendment was made on May 5, 1998.

The 8th amendment was made on September 2, 1998.

The 9th amendment was made on October 20, 1998.

The 10th amendment was made on January 15, 1999.

The 11th amendment was made on July 1, 1999.

The 12th amendment was made on March 22, 2000.

The 13th amendment was made on May 29, 2000.

The 14th amendment was made on October 6, 2000.

The 15th amendment was made on June 4, 2002.

The 16th amendment was made on June 26, 2003.

The 17th amendment was made on June 16, 2004.

The 18th amendment was made on June 10, 2005.

The 19th amendment was made on June 10, 2005.

The 20th amendment was made on June 23, 2006.

The 21st amendment was made on June 13, 2007.

The 22nd amendment was made on June 13, 2008.

The 23rd amendment was made on November 17, 2008.

The 24th amendment was made on June 10, 2009.

The 25th amendment was made on June 15, 2010.

The 26th amendment was made on June 15, 2012.

The 27th amendment was made on June 11, 2013.

The 28th amendment was made on June 15, 2016.

## ● Appendices 2

### **Unifosa CORP. Procedure for the Acquisition and Disposal of Assets**

The revision date : June 13 ,2019

#### **Chapter I General Principles**

- Article 1 Purpose  
This procedure is specifically prescribed to enhance asset management, protect investments and ensure disclosure of information.  
The company shall handle the acquisition or disposal of assets in accordance with this procedure.
- Article 2 Basis of law  
This procedure is prescribed in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
- Article 3 Scope of assets  
The term "assets" as used in these Procedures includes the following:
1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
  2. Real property (including land, houses and buildings, investment property) and equipment.
  3. Memberships.
  4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
  5. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
  6. Derivatives.
  7. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
  8. Other major assets.
- Article 4 Definition of related terms
1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
  2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
  3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
  4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
  5. Date of occurrence: Refers to the date of contract signing, date of payment, date

of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 5 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

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

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

5. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
6. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.



7. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, 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.
8. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

**Article 6** With respect to the company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to each supervisor.

The company has set up of independent director, when a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The company has set up an audit committee, any transaction involving major assets or derivatives shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

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

The terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

## **Chapter II Assessment and operational procedures**

### **Section I Assets acquisition or disposal evaluation and operational procedures**

**Article 7** Assessment and operational procedures for the acquisition or disposal of securities

1. Price decision method and reference basis and commission experts to issue a valuation report.

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% 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. Provided, however, that such securities shall not be subject to the following provisions.

- (1) To initiate or raise funds in accordance with the law, establishment and acquisition of securities by cash contribution, and acquire the rights recognized by the securities equal to the proportion of capital contribution.
- (2) Participating in the subscription of securities issued at face value by the underlying company in accordance with the relevant laws and regulations for

cash capital increase.

- (3) Participate in the subscription of 100% direct or indirect investment companies to conduct cash capital increase issue securities, or 100% of the subsidiary companies to participate in the subscription of cash capital increase issue securities.
  - (4) An exchange-listed, OTC-listed, or emerging stock company on a stock exchange or at the business premises of a securities firm.
  - (5) Domestic government bonds or bonds under repurchase and resale agreements.
  - (6) Public Offering of Fund.
  - (7) To acquire or dispose of the stocks of listed companies in accordance with the bidding or auction methods of listed securities of Taiwan Stock Exchange Corporation or Taipei Exchange.
  - (8) Participate in the domestic public offering company's cash increase and share subscription or subscribe for corporate bonds (including financial bonds), and the obtained securities are not private equity securities.
  - (9) In accordance with the provisions of paragraph 1, article 11 of the securities investment trust and advisory act, those who purchase domestic private funds before the establishment of the fund, or purchase or repurchase domestic private funds, the investment strategy is stated in the trust deed except for securities credit transactions and holdings that do not have securities related commodities written off, the investment scope of the rest is the same as that of the public offering of fund.
2. The acquisition or disposal of securities by investment professionals, if a securities evaluation model and system have been established and use appropriate models or statistical methods to estimate the value, it is exempted from the requirement of this article to express opinions on the rationality of the transaction price with the accountant.
  3. Authorized amount and level
    - (1) Acquired or disposed of securities that have been traded on a stock exchange or at the business premises of a securities firm; If the transaction amount is less than NT\$50 million (inclusive), it shall be signed and submitted to the general manager for approval. If the transaction amount exceeds NT\$50 million, it shall be approved by the board of directors.
    - (2) Acquire or dispose of securities that are not traded on a stock exchange or at the business premises of a securities firm; It must be approved by the board of directors. However, the board of directors may authorize the chairman to make a decision within NT\$20 million and report it to the board of directors for ratification afterwards.
  4. Perform unit  
The financial unit shall be responsible for the acquisition and disposal of securities investment by the company.
  5. Transaction process  
The trading process of the company's acquisition or disposal of negotiable securities is conducted in accordance with the provisions of the company's internal control system on investment cycle.

Article 8 Acquisition or disposal of real estate, equipment or assets of their right to use assessment and operating procedures.

1. Price decision method and reference basis  
The acquisition or disposal of immovable property, equipment or its right to use assets shall be signed and explained by the original using unit or the relevant

right and responsibility unit. The asset management unit refers to the present value of the announcement, the assessed value, the actual transaction price of the adjacent real estate, the recent transaction price of similar assets, etc. Price comparison, bargaining or bidding method to choose one.

2. The commission asks the expert to issue the appraisal report  
Acquisition or disposal of real property, equipment or assets to which it is used, In addition to dealing with domestic government agencies, own land commissioned building or leased land commissioned building, or acquiring or disposing equipment or its use right assets for business use. If the transaction amount reaches 20% of the company's paid-in capital or more than NT\$300 million, the company shall obtain the appraisal report issued by the professional appraiser prior to the occurrence of the fact and comply with the following provisions:
  - (1) When a fixed price, specific price or special price is required for special reasons as the reference basis for the transaction price, the transaction shall be submitted to the board of directors for approval. The same shall apply to any subsequent change in the terms of the transaction.
  - (2) If the transaction value is NT\$1 billion or higher, appraisal reports should be obtained from at least two specialist appraisal firms.
  - (3) If either of the following applies to the appraisal report obtained from the specialist appraisal firm, 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, an accountant should be asked to handle the matter in accordance with the provisions of Statement of Financial and Accounting Standards No. 20 issued by the Accounting Research and Development Foundation, and to give an opinion regarding the reasons for the disparity and the acceptability of the transaction price:
    - A.If the disparity between the appraisal result and the actual transaction price is 20% or higher.
    - B.If the disparity between the appraisal reports obtained from two or more appraisal firms and the actual transaction price is 20% or higher.
  - (4) The contract date may not be more than three months later than the date on which the appraisal report was issued by the professor appraiser. If, however, the same publicly announced land value continues to apply, then the original appraisal firm may submit an opinion, provided that not more than six months have elapsed.
3. Authorized amount and level  
The acquisition or disposal of immovable property, equipment or the right to use assets with the transaction amount less than NT\$20 million (including).It must be signed and submitted by the companyand submitted to the chairman for approval. If the transaction amount reaches 20% of the paid-in capital or more than NT\$20 million, it shall be approved by the board of directors.
4. Perform unit  
For the acquisition and disposal of immovable property, equipment or the right to use the assets of the company, the executing unit shall be the using department and the relevant authority and responsibility unit.
5. Transaction process  
The transaction procedures for the acquisition or disposal by the company of real estate, equipment or its usufruct, According to the company's internal control system fixed assets cycle related operations.

- Article 9 Evaluation and operating procedures for acquiring or disposing intangible assets or their use right assets or membership cards
1. Price decision method and reference basis  
The acquisition or disposal of intangible assets or their use right assets or membership cards shall take into consideration the possible future benefits and fair market value of such assets. When necessary and with reference to expert opinions, negotiate with the counterpart of the transaction.
  2. Entrust experts to issue opinions  
The acquisition or disposing intangible assets or their right to use assets or membership cards with the transaction amount of 20% of the company's paid-in capital or more than NT\$300 million, in addition to dealing with government institutions, should be asked to give their opinion as to whether the transaction price is acceptable. The accountant should handle the matter in accordance with the provisions of Statement of Financial and Accounting Standards No. 20 issued by the Accounting Research and Development Foundation.
  3. Authorized amount and level
    - (1) If a membership card is acquisitioned or disposed of and the transaction amount is less than NT\$3 million (including), it must be signed and submitted to the general manager for approval. If the transaction amount exceeds NT\$3 million, it shall be approved by the board of directors.
    - (2) To acquire or dispose of intangible assets or their use right assets with the transaction amount less than NT\$20 million (inclusive), It shall be signed and submitted by the company and submitted to the Chairman of board of directors for approval, and shall be submitted to the latest board of directors; If the transaction amount exceeds NT\$20 million, it shall be approved by the board of directors.
  4. Perform unit  
The company's intangible assets or the right to use the assets or membership cards to obtain and dispose of the operation, the implementation of the units are financial units, management units and related rights and responsibilities.
  5. Transaction process  
The transaction process of acquisitioning or disposing intangible assets or the right to use assets or membership cards of the company shall be handled in accordance with the provisions of the fixed assets circulation of the company's internal control system.
- Article 10 Article 7, article 8 and article 9 the transaction amount shall be calculated in accordance with the provisions of paragraph 1 (7) and (8) of article 14. And the alleged one year is based on the date of the fact of the transaction, and the retrospective calculation is one year. Part of the valuation report issued by the professional appraiser or the opinion of the accountant has been obtained in accordance with the provisions of this procedure, you will be exempted from re-calculation.  
To acquire or dispose of assets through the auction procedure of the court, the certificate issued by the court can replace the appraisal report or the opinion of the accountant.

## **Section II Related Party Transactions**

- Article 11 Assessment and operational procedures for obtaining or disposing of real property or other assets of the right or real property or its right-of-use assets from the related party.

1. When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions shall be obtained in accordance with article 8. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 12 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.

2. When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof 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 domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, 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:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph 3 and 4 in this article.
- (4) 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.
- (5) 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.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with paragraph 1.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the paragraph shall be made in accordance of paragraph 1 (7) and (8) of article 14, 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 need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between a public company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 8, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- (2) Acquisition or disposal of real property right-of-use assets held for business use.

If the company has an independent director has been created in accordance, When submitted to the board for discussion in accordance with this paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

The company has set up an audit committee, the matters for this paragraph requires recognition by the supervisors shall first be approved by one-half or more of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 6, paragraphs 4 and 5.

3. Reasonable evaluation of transaction costs

- (1) The company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
  - A. 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.
  - B. 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% 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.
- (2) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the paragraph (A).
- (3) The company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the paragraphs (1) and (2) shall also engage a CPA to check the appraisal and render a specific opinion.
- (4) Where the company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition Shall be handled in accordance with the provisions of paragraph 2, item 1 of this article, and the preceding (1)~(3) paragraphs do not apply:
  - A. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
  - B. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
  - C. 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.

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

4. When the results of the company's appraisal conducted In accordance with the preceding paragraph (1) and (2) of the preceding Article are uniformly lower than the transaction price, it shall be handled in accordance with paragraph 5 of paragraph 1 of this article.. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:

A. 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.

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

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

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

5. Where the company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two paragraphs are uniformly lower than the transaction price, the following steps shall be taken:

(1) 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. Where

the company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the company's equity stake in the other company.

- (2) Supervisors shall comply with Article 218 of the Company Act. Where an audit committee has been established in accordance with the provisions of the Securities and Exchange Act, the preceding part of this item shall apply mutatis mutandis to the independent director members of the audit committee.
  - (3) Actions taken pursuant to the preceding (1) and (2) shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
6. The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Securities authority has given its consent.
- When the company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the provisions of paragraph 5 shall apply if there is other evidence indicating that the acquisition was not an arms length transaction.

### **Section III Engaging in Derivatives Trading**

Article 12 Evaluation and operational procedures for acquiring or disposing derivative products

1. Trading principles and strategies
  - (1) Transaction types
 

The company is engaged in the nature of derivative commodity transactions, according to its purpose, it is divided into two categories: “non-transactional” (non-transactional trading for trading purposes) and “transactional” (non-avoidity trading for trading purposes).

The company may be engaged in derivative products. At present, the risk position of exchange rate and interest rate arising from the company's business operation should be mainly avoided. The remaining derivatives, shall be traded by resolution of the board of directors.
  - (2) Operating or hedging strategies
 

The company engages in derivative commodity transactions and should aim at avoiding risks. Trading commodities should be selected to avoid the risks arising from the business operations of the Company.

The trading objects of the company engaged in derivatives trading, according to the operation needs of the company, financial institutions with better conditions should be selected to engage in hedging transactions to avoid credit risks.
  - (3) Segregation of duties
 

The company is engaged in the trading of derivative commodities, and the divisions of each unit are as follows:

    - A. Financial unit : Responsible for the operational strategy for the derivative commodities other than commodity futures, and carry out various transactions according to the authorization authority.



B. Accounting unit : Responsible for the accounting processing of derivative commodity transactions, the production of accounting statements, and the collection of regular data.

C. Audit unit : To understand the appropriateness of internal control, such as the division of duties and operating procedures, and to check the compliance of trading units with the procedures.

The Company engages in derivative commodity transactions. For the purpose of "non-trading", the company trades with the following authorization rights :

Level	Amount of each contract	Cumulative net part
Board of Directors	More than \$1 million	More than \$3 million
After the approval of the chairman of the board of directors, and shall be submitted to the latest board of directors	Less than \$1 million dollars inclusive	Less than \$3 million dollars inclusive
Chairman	Less than \$300,000 (inclusive)	Less than \$300,000 (inclusive)
General manager	Less than \$100,000 (inclusive)	Less than \$100,000 (inclusive)

The company is engaged in the trading of derivative commodities, for the purpose of "transactionality", each transaction must be approved by the chairman of the board of directors and submitted to the most recent board of directors for ratification.

(4) Essentials of performance evaluation

A. "non-transactional" derivative goods : According to the type of commodities traded, the financial unit shall take the realized net profit and loss position as the basis for performance evaluation after the closing of each contract due date. Then, for the set trading objectives, compare the profit and loss performance and review it regularly, and report it to the general manager for review.

B. "transactional" derivative goods : Realized positions shall be based on the actual profit and loss positions as the basis for performance evaluation by the financial unit. Unrealized parts at the daily closing price, the net profit and loss and total amount of the open positions are liquidated daily as a reference for performance evaluation.

(5) The total amount of the contract

The total amount of contracts for non-tradable derivative products shall not exceed the actual business requirements. The total amount of contracts for tradable derivative products shall be limited to 20% of the net value of the company.

(6) Upper limit of loss

A. The purpose of trading "non-traded" derivatives is to avoid risk, so there is no need to set a loss limit.

B. The transaction contract for "transactional" derivative goods, after the location is established, a stop-loss point shall be established to prevent excess losses, and the stop-loss point shall not exceed 3% of the contract amount. If the loss exceeds 3% of the transaction amount, it shall report to the general manager immediately and report to the board of directors to discuss necessary countermeasures.

C. The maximum annual loss of the company for the operation of "tradable"

derivative products is \$300,000.

2. Risk management measures

(1) Scope of risk management

A. Credit risk management—The trading objects shall be domestic and foreign financial institutions with good credit, and can provide professional information for the principle. The financial officer shall be responsible for controlling the amount of transactions between financial institutions and shall not be excessively centralized. And according to the change of market conditions, adjust the amount of transactions with financial institutions at any time.

B. Market price risk management—Select a market where quotation information is fully available.

C. Liquidity risk management—To ensure liquidity, a trading financial institution must have sufficient equipment, information and trading capacity to trade in any market.

D. Cash flow risk management—In order to ensure the stability of the company's working capital turnover, the company's source of funds for derivative commodity transactions is limited to its own funds, and its operating amount should consider the funding requirements for the cash revenue and expenditure forecast for the next three months.

E. Operational risk management—Must strictly abide by the company's authorization quota, operating procedures and other regulations to avoid operational risks.

F. Legal risk management—Any documents signed with financial institutions should use international standardization documents whenever possible to avoid legal risks.

(2) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.

(3) Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.

(4) The positions held by a derivatives exchange shall be periodically evaluated in accordance with paragraph 4 (1) of paragraph 1 of this article.

3. Internal audit system

(1) The internal auditors of the Company shall regularly understand the validity of the internal control of derivative commodity transactions. In addition, the monthly audit shall be conducted on the compliance of the trading department with the processing procedures of derivatives trading, and shall prepare an audit report. If any major violation is found, it shall notify the supervisors in writing.

(2) If an independent director has been established in accordance with the provisions of the Securities Exchange Act, the supervisors shall be notified in accordance with the preceding item and the independent director shall be notified in writing.

(3) If the audit committee has been set up in accordance with the provisions of the Securities Exchange Act, the provisions of this paragraph (1) for the supervisor shall be used by the audit committee.

4. Regular evaluation methods and the handling of irregular circumstances

(1) 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.

(2) The board of directors shall authorize senior management personnel to

regularly monitor and evaluate the adequacy of the risk management measures currently in use, whether derivatives trading operations are conducted in accordance with the regulations, whether derivatives trading performance conforms to the established business strategy, and whether the risks taken by the company are tolerable. If any unusual circumstances are found, necessary countermeasures shall be taken and reported to the board of directors immediately.

5. Supervision and management of the board of directors

(1) Where the company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles :

A. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.

B. 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.

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

A. Regularly evaluate whether the risk management measures currently in use are appropriate and follow the securities regulatory authority's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and this processing procedure.

B. 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.

(3) The Company engages in derivative commodity transactions and authorizes relevant personnel to be handled in accordance with the provisions of this procedure. It shall be reported to the most recent board of directors afterwards.

6. The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 (1) of this Article and paragraph 5 (1) 2, and (2)1, of the preceding article shall be recorded in detail in the log book.

#### **Section IV Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares**

Article 13 To conduct the evaluation and operation procedures of merger, division, acquisition or transfer of shares

1. Decision method and reference basis of transaction consideration

In conducting mergers, splits, acquisitions or share transfers, the company shall take into account the past and future financial and business conditions of the company, the expected potential future benefits and the fair manner in which the market determines the transaction price. And consult the professional advice of accountants, lawyers or securities underwriters to negotiate a price with the parties participating in the merger, division, acquisition or share transfer.

2. Entrust experts to issue opinions

The company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of

cash or other property to shareholders, and submit it to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.

3. Decision level

When the company conducts merger, division, acquisition or transfer of shares, its resolution shall be in accordance with the provisions of the company law and relevant laws.

4. Submission of relevant information and disclosure of information when it cannot be approved by the board of shareholders

(1) The company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to subparagraph 2 of paragraph 1 in this 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.

(2) Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

5. Date of the board meeting and shareholders meeting

(1) When the company conducts merger, division or acquisition, unless otherwise provided by other laws or there are special factors, it shall submit to the securities regulatory authority for approval in advance. The board of directors and shareholders meeting shall be held on the same day as the company participating in the merger, division or acquisition, to resolve matters relating to merger, division or acquisition.

(2) The company shall hold a board meeting on the same day as the company participating in the share transfer, unless otherwise provided by other laws or there are special factors that have been approved by the securities regulatory authority in advance.

(3) When participating in a merger, demerger, acquisition, or transfer of another company's shares, shall prepare a full written record of the following information and retain it for 5 years for reference:

A. Basic identification data for personnel : Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.

B. Dates of material events : Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

C. Important documents and minutes : Including merger, demerger,

acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

(4) When participating in a merger, demerger, acquisition, or transfer of another company's shares, 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 (3)A and (B) in this paragraph to the FSC for recordation.

(5) 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, our company shall sign an agreement with such company whereby the latter is required to abide by the provisions of the (3) and (4) in this paragraph.

6. Confidentiality obligation and insider trading avoid

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

7. The principle of changing the share exchange ratio or purchase price

The company participating in a 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 :

(1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.

(2) An action, such as a disposal of major assets, that affects the company's financial operations.

(3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

(4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.

(5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.

(6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

8. The contract shall state the particulars

The contract for participation by the company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following :

(1) Handling of breach of contract.

(2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.

(3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange

- ratio, and the principles for handling thereof.
- (4) The manner of handling changes in the number of participating entities or companies.
  - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
  - (6) Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
9. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
  10. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the company(s) shall sign an agreement with the company whereby the latter is required to abide by the provisions of subparagraphs 5, 6 and 9 of paragraph 1 of this article.

### **Chapter III Public Disclosure of Information**

#### **Article 14    Announcement procedure**

1. Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the Securities authority designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event :
  - (1) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
  - (2) Merger, demerger, acquisition, or transfer of shares.
  - (3) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
  - (4) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria :
    - A. For the company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
    - B. For the company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
  - (5) Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and

allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.

- (6) Where an asset transaction other than any of those referred to in the preceding (1)~(2) subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances :

A.Trading of domestic government bonds.

B.Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.

C.Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

- (7) The amount of transactions above shall be calculated as follows :

A.The amount of any individual transaction.

B.The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.

C.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.

D.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

- (8) "Within the preceding year" refers to the year preceding the date of occurrence of the current transaction. Part that has been announced in accordance with the provisions shall not be included in the transaction amount.

2. The company shall compile monthly reports on 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.
3. 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.
4. 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.

5. Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the Securities authority within 2 days counting inclusively from the date of occurrence of the event :
  - (1) Change, termination, or rescission of a contract signed in regard to the original transaction.
  - (2) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
  - (3) Change to the originally publicly announced and reported information.
6. Where a subsidiary of the company is not a domestic public offering company, if the assets acquired or disposed of reach the standards required by this article, the company shall handle the matters of announcement and declaration on its behalf. Where applicable, the subsidiary shall announce the provisions on paid-in capital or total assets of the reporting standards, the company's paid-in capital or total assets shall prevail.

#### **Chapter IV Additional Provisions**

**Article 15** The total amount of immovable property and usufruct assets or securities acquired for non-business use, and individual securities limits.

1. The total amount of immovable property and its usufruct that is not for business use.

The company and its subsidiaries, in addition to obtaining real property for business use and its usufruct of use, the rest of the non-operating real estate and its right to use assets are not available.

2. To obtain the total amount of securities and the limit of individual securities
  - (1) To expand business development, the total amount of long-term investment in securities should be in accordance with the company's articles of association. It is not subject to the 40% of the amount of paid-in capital of Article 13 of the Company Law.
  - (2) The company and the company holding more than 50% (inclusive) shares, their net investment in a single listed or listed company shall not exceed 10% of the net value of the most recent financial statements of their respective companies.
  - (3) The company and the company holding more than 50% (inclusive) shares, the total investment shareholding in a single listed or listed listed company shall not exceed 10% of the total outstanding shares of the single listed listed company.
  - (4) Only our company and the company has a comprehensive shareholding of over 50% (inclusive), participate in the establishment of investment or serve as a director, supervisor and intended long-term holder, in the calculation of the investment ratio of this paragraph (2) and (3), it may not be included.

**Article 16** Procedures for controlling the acquisition or disposal of assets by subsidiaries

1. The company shall urge its subsidiaries to establish procedures for handling the acquisition or disposal of assets in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies " issued by the securities regulatory authority. After being approved by the board of directors, it shall be submitted to the shareholders' meeting for approval. The same is true for corrections.
2. The acquisition or disposal of assets by each subsidiary shall be subject to the



"Regulations Governing the Acquisition and Disposal of Assets" prescribed. Or any other legal requirement that should be passed by the board of directors, it should be reported to the company before the facts occur. The financial unit of the company shall evaluate the feasibility, necessity and rationality of the acquisition or disposal of the assets, and follow up the implementation status afterwards for analysis and review.

3. The internal auditors of the company shall regularly audit the compliance of each subsidiary company with the "Regulations Governing the Acquisition and Disposal of Assets" and prepare an audit report. Upon verification of the audit report findings and recommendations, each audited subsidiary shall be notified for improvement, and follow-up reports shall be made periodically to confirm that appropriate improvement measures have been taken in a timely manner.

#### Article 17 Penalty

The relevant personnel of the company handle the acquisition or disposal of assets, and if there is a violation of the securities regulatory authority's "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" or the company's "Regulations Governing the Acquisition and Disposal of Assets", according to the company's staff reward and punishment measures reported assessment, according to the seriousness of the punishment.

#### Article 18 For the calculation of 10% of total assets under this handler, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

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

Matters not covered in this procedure shall be handled in accordance with relevant laws and regulations.

#### Article 19 Implementation

This procedure shall be implemented after being approved by the board of directors and submitted to the supervisors and the board of shareholders for approval. he same is true for corrections. If there is any director's objection and record or written statement, the director's objection should be sent to each supervisor.

If the company has independent directors, any objections or reservations shall be stated in the minutes of the board of directors.

If the company has an audit committee, the proposed or revised procedure shall be approved by more than half of the members of the audit committee and submitted to the board of directors for resolution. Without the consent of more than half of the members of the audit committee, it may be done with the consent of more than two-thirds of all the directors, and the resolution of the audit committee shall be indicated in the minutes of the board of directors.

## • Appendices 3

### **Unifosa CORP. Rules and Procedures of Shareholders' Meeting**

The revision date : August 25 ,2021

- Article 1 (Basis)  
To establish a strong governance system and sound supervisory capabilities for this Corporation'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 this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 (Convening shareholders meetings and shareholders meeting notices)  
Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.  
This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.  
Notice of convening of the shareholders' meeting referred to in the preceding paragraph, for holders of less than 1,000 registered shares, shall be entered into the MOPS for announcement.  
The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.  
Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.  
Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of

the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

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

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce that it will receive shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

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

Article 4 (Entrusts to attend the shareholders' meeting and authorizes)

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

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

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

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

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

Article 6 (Preparation of documents such as the attendance book)

This Corporation shall furnish the attending shareholders or his authorized agent

(hereinafter referred to as the shareholder) with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

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

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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 (The chair and non-voting participants of a shareholders meeting)

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

The shareholders' meeting convened by the board of directors shall be attended by more than half of the directors of the board of directors.

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

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

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

The company shall record the whole meeting of the shareholders' meeting by audio or video recording for at least one year.

If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9 (calculation and meeting of shareholders' meeting)

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

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If 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 chair 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 conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

#### Article 10 (Discussion of proposals)

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

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

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

#### Article 11 (Shareholder speech)

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

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

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair 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 chair and the shareholder that has the floor; the chair 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 chair 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 this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

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

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

Article 13 (Voting, invigilation and counting of motions)

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

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

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation 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 by correspondence or 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 known to this Corporation, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or 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 this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders.

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

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

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

**Article 14 (Election of directors and supervisors)**

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number 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 (Minutes and signatures)**

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 chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

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

**Article 16 (Public disclosure)**

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

Article 17 (Maintaining order at the meeting place)

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

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification 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 this Corporation, the chair may prevent the shareholder from so doing.

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

Article 18 (Recess and resumption of a shareholders meeting)

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

If the meeting venue is no longer available for continued use and not all of the items (including 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 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.



## ● Appendices 4

### **Unifosa CORP. Regulations for Election of the Directors**

The revision date : August 10 ,2021

- Article 1 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2 The cumulative voting method shall be used for election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.  
The election of independent directors and non-independent directors shall be held together, however, the number of independent directors and non-independent directors elected shall be calculated separately.
- Article 3 The directors shall be elected by the shareholders' meeting from among the persons with disposing capacity. In accordance with the number of votes specified in the company's articles of association and the results of election votes, the directors with more voting rights shall be elected as independent and non-independent directors respectively.  
If two or more candidates receive the same number of votes beyond a quota, the winner shall be determined through lot-drawing. The lot may be drawn by the chairman on behalf of the absentees.
- Article 4 The Company's directors shall be elected by adopting the candidate nomination system and shareholders elect directors from the list of candidates.  
The company shall, prior to the closing of the share transfer before the shareholders' meeting, make a public announcement of the period for accepting nominations of directors' candidates, the number of candidates to be selected, the place for acceptance and other necessary matters, and the period for acceptance shall not be less than 10 days.  
The board of directors of the company or shareholders holding more than one percent of the total issued shares may submit a list of candidates for directors to the company in writing. The number of nominations shall not exceed the number of directors to be elected; The same applies to the number of candidates nominated by the board of directors.  
Other matters to be complied with shall be handled in accordance with the relevant provisions of the company law and the securities regulatory authority.
- Article 5 The following relationships may not exist among more than half of the Company's directors:  
1. A spousal relationship.  
2. A familial relationship within the second degree of kinship.  
When there are some disqualified ones among the directors, the disqualified one who receives the lowest number of votes shall be deemed invalid.
- Article 6 The convening right holder shall prepare the same voting ballot as the number of directors to be elected, fill in the number of votes, and distribute it to the shareholders attending the shareholders meeting. The name of the elector may be

replaced by the attendance card number printed on the ballot.

- Article 7 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 8 The convening right holder shall prepare the ballot box which shall be examined by the inspectors in public during directors' election.
- Article 9 The elector must fill in the name or account of the electee in the "candidate" column of the ballot. However, when a government or legal person shareholder is an elected person, the name of the government or legal person should be entered in the account of the elected person in the ballot, and the name of the government or legal person and the name of its representative may also be entered; when there are several representatives, The name of the representative should be added separately.
- Article 10 A ballot is invalid under any of the following circumstances:  
(1) Do not use ballots prepared by a person with the right to convene.  
(2) A blank ballot is placed in the ballot box.  
(3) The writing is unclear and indecipherable or has been altered.  
(4) The filled-in candidate list is not consistent with the list of director candidates.  
(5) In addition to filling in the candidate's name or account name, other characters are also written.  
(6) The number of candidates filled in the ballot being two or more.
- Article 11 The ballots should be calculated during the meeting right after the vote casting and the results of the election should be announced by the Chairman at the meeting.
- Article 12 The board of directors of this Corporation shall issue notifications to the persons elected as directors.
- Article 13 For items not provided in the Rules, the Company Act, and other relevant laws and regulations shall govern.
- Article 14 These Rules and any revision thereof shall become effective after approval at the shareholders' meeting.

## ● Appendices 5

### Number of shares held by all and individual directors (including independent directors of the audit committee)

#### 1. The minimum number of shares that all directors should hold

- (1) The company's paid-in capital is NT 916,288,330 and the number of issued shares is 91,628,833.
- (2) The company has three independent directors and an audit committee is set up in accordance with Article 14-4 of the Securities and Exchange Act. According to laws and regulations, except for the non-applicable regulations that the number of shares held by supervisors should not be less than a certain ratio, independent directors The shareholding ratio of all directors of the company is reduced to 80% of the prescribed ratio. °
- (3) The number of shares held by all directors as of the date of the cessation of the transfer of ownership at the shareholders' meeting is listed in the following table and complies with the number requirements of Article 26 of the Securities and Exchange Act.

April 12,2022; Unit : share

Position	The legal minimum number of shares to be held	Number of shares held by all directors
Directors	7,330,306	11,616,368

Note: Shareholder's register closing date : April 12,2022

#### 2. Number of shares held by all and individual directors

April 12,2022; Unit : share

Position	Name	Number of shares held in the register of shareholders
Chairman	Chen,Ching-jong	187,092
Directors	Chiang,Tsang-An	577,290
Directors	Hsiao,Wu-Hsing	826,453
Directors	Trump Gain Investments Ltd	10,025,533
Independent Director	Chen,Chih-Ling	0
Independent Director	Lee,Wen-Chin	0
Independent Director	Yo,Chi-Thon	0
Total of all directors		11,616,368